

The American Labor Legislation Review

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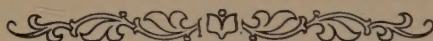
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Legislative Stimulant Needed

“IT would seem that a wide coverage of unemployment insurance, even in so far as it is an advantage to the individual business, will come only through legislation. Representatives of the company-plan managements consulted in this investigation have expressed an almost unanimous view that while properly planned and administered schemes of unemployment insurance would be an aid to industry, their adoption would proceed slowly unless stimulated by legislation.”—*“Unemployment Benefits in the United States,” report by Industrial Relations Counselors, Inc.*

Act Now On Unemployment!

INTEREST in unemployment as a state and national issue is now at its height. The spirit in which the drives for emergency relief funds are oversubscribed and the zeal with which unemployment commissions are multiplied indicate a general recognition that the evils of unemployment are a public menace and a public responsibility.

Previous depressions, nevertheless, have demonstrated that the same public which acts so energetically in the emergency will, after business revives, become indifferent to constructive provision for future periods of unemployment. The Third Unemployment Survey, just completed by the American Association for Labor Legislation, shows that the universally accepted program of 1914 and of 1921 still remains unaccomplished, only to reappear in the earnest recommendations of the unemployment commissions of 1930.

We may as well now accept as a foregone conclusion that—despite the humiliating lesson of the present “American dole system”—the commissions that may be appointed looking toward constructive measures in the indefinite future will seriously endanger any action whatever. After the trying period of depression is over, responsible citizens—especially politicians and managers of private industry—will as promptly as possible forget about unemployment, *unless this time we in our collective capacity as citizens do something wholly different from anything we have ever done before during a depression.* This time we must not postpone legislation.

Through its own form of workmen's accident compensation, America found the means of dealing with the problem of inability to work owing to industrial accidents. By the adoption of the principle of placing directly upon industry a part of the burden of accidents, this country has in practical operation a plan which provides injured workers with self respecting relief when most needed, the

total payments amounting to more than all expenditures for public and private charity combined. This plan at the same time furnishes the chief stimulus to accident prevention.

"An American Plan for Unemployment Reserve Funds" is now submitted by the American Association for Labor Legislation. Like accident compensation, it proposes systematic provision for the involuntarily unemployed worker and the same economic incentive for prevention. The prompt adoption of such a plan by the states is essential in order to coordinate and give permanent substance to the constructive attack upon unemployment.

Those business spokesmen who, in shortsighted opposition, have continued blindly in their insistence upon being permitted to mismanage this problem "without governmental interference" should in all conscience adopt now an attitude of humility. And those politicians who endeavor to block progress by means of well-known "tactics of delay"—and well-meaning citizens unwittingly led into schemes for extended inquiries abroad into the operation of systems foreign to American experience—must now be made to feel the pressure of an enlightened public opinion.

There is an abundance of information in this country and there is a basic draft of a bill prepared through representative conferences—all immediately available in readiness for intelligent and prompt action. This winter Congress and more than forty state legislatures hold regular sessions. This will not happen again until 1933.

Failure to act now while public attention is concentrated upon this problem will in all probability mean at least another half-dozen years of delay. It must not be forgotten that the unemployment problem in its cyclical appeal is in this respect unique. Apostles of delay must be made to understand that this time they will be held responsible for legislative failure. An awakened social conscience is offered a definite program and an exceptional opportunity for action. "Now is the accepted time."

JOHN B. ANDREWS, *Secretary*

American Association for Labor Legislation



LEGISLATIVE NOTES

THE Twenty-fourth **Annual Meeting** of the American Association for Labor Legislation, at Cleveland, Ohio, December 29-31, will be the occasion of the association's third national conference on unemployment.



THE fiftieth annual convention of the American Federation of Labor recently elected **Joseph P. Ryan**, president of the International Longshoremen's Association and president of the Central Trades and Labor Council of Greater New York, as delegate to next year's British Trades Union Congress. Mr. Ryan is a member of the General Advisory Council of the American Association for Labor Legislation.



A WRITER in the forum of the *Dayton (Ohio) News* recommends the **gathering of mushrooms** as a cure for unemployment. Is he counting on the fact that most of us can't distinguish mushrooms from toadstools?



SENATOR WAGNER of New York recently announced that he would introduce at the short session of Congress, a resolution calling for an investigation of **unemployment insurance** by a special committee.



"UNEMPLOYMENT insurance is the only solution to industrial problems in this country. No provision is now made for unemployment, although it is as natural a condition of business as any hazard such as sickness or physical maladjustment."—*Arthur Tager, vice-president of the Advertising Corporation of America.*



PRESIDENT NICHOLAS MURRAY BUTLER of Columbia University sees a **menace to the existing social order** in the presence of worldwide unemployment. "It is being borne in upon the world that this vast dislocation of industry called unemployment is no ordinary depression," he said in

an address to Columbia students in September. "The world presents its population with the problem of difficulty in making a living, and it is time for the existing social order to beware, because men become desperate if, under the established order, there is no way for them to get sustenance. Why should men not attempt something new? That is the way their minds work."



BUSINESS depression has been partially responsible for a large increase in the number of patients admitted to **New Jersey mental hospitals** according to William J. Ellis, State Commissioner. The admission rate at the Greystone Park State Hospital during the present year has been nearly 20 per cent higher than during any other year in the institution's history. Case histories indicate that economic reverses have been a principal cause.



GOVERNOR ROOSEVELT has suggested a **loan fund** for the unemployed as a means of providing relief and hastening business recovery.



JOHN H. EDGERTON, president of the National Association of Manufacturers, has promised that his Association will make a careful study of various **plans for employment security and stabilization** presented before that body at its annual conference in New York in October. "Unemployment insurance, old-age relief, the problem of the man displaced from industry by machinery and countless other parts of the complex question," Mr. Edgerton insisted, "are receiving the earnest attention of manufacturers who wouldn't have considered them a few short years ago."



THE executive council of the Canadian Trades and Labor Congress, in its report to the 1930 convention held in Regina, Saskatchewan, in October, urged a "**national system of unemployment insurance** based on contributions by the state, employers and workers." "The present unemployment situation," it declared, "marks a new phase of economic evolution and has brought home the necessity of providing permanent safeguards for the livelihood of the workers."



"No employer would depend on charity to keep his machinery in repair or carry his overhead in dull seasons. And yet thousands actually depend on **charity to carry their work force** when not needed for production."—*A. F. of L. Executive Council's 1930 Report to Boston Convention.*



ACCORDING to a computation made by the Federated Press, unemployment insurance has been **endorsed by trade unions** representing

1,500,000 workers and including about one-half of the membership of the American Federation of Labor.



MARGARET H. HOGG, writing in the September *Journal of the American Statistical Association*, sets up some very definite guide-posts for making **unemployment surveys** in an article on "Sources of Incomparability and Error in Employment-Unemployment Surveys."



THE New York State Department of Labor will conduct an experimental public employment office at Rochester which, according to Industrial Commissioner Frances Perkins, "will provide during a period of from three to five years a laboratory for the application of scientific methods to the problems involved in conducting a community public employment service."



THE Illinois State Federation of Labor at its 1930 annual convention adopted a resolution urging the enactment of the **LaFollette bill** now in the Senate which would abolish private employment agencies operated by associations of ship owners or their agents and which would set up in their place an employment service under the Department of Commerce.



At an editorial conference of the editors and executives of the **Scripps-Howard newspapers** held at French Lick, Indiana, in October, a resolution was adopted which urged the early enactment by Congress of bills providing for the advance planning of public works and for a federal-state system of public employment agencies, and which pointed out the desirability of "a perfected American system of general unemployment insurance."



THE creation of a permanent federal agency to advise the cities and states in regard to the **long-range planning of public works** was urged by Colonel Sherrill, former city manager of Cincinnati, at the Rochester, N. Y., conference held in October by Governor Roosevelt's committee on stabilization.



THE Mayor of Buffalo recently urged **state aid to the cities** in providing unemployment relief. He declared that cities with tax limitations could not provide the necessary relief without such assistance. In Buffalo there has been an increase of 115 per cent over the five year average in expenditures for direct relief.

A SMALL loan corporation of New York has made available \$100,000 to welfare bodies in 200 cities which may be loaned without interest to unemployed workers whose families are in distress.



"FOR those workers, jobless through no fault of their own, in order that social progress may go on, society does not even provide an adequate employment service to tell them where available jobs may be found, or counsel to help them with the problem of adjusting their abilities to the requirements of other jobs. Just as we are finding methods of rehabilitating the cripples of industry, so we should serve the victims of industrial progress."—*William Green, President of the American Federation of Labor.*



A LAW providing state aid to unemployed parents for the maintenance of their children in order that children may not be forced to bear the burden of business depression, was advocated by Grace Abbott, head of the Federal children's bureau, at the White House conference on child health and protection.



"It is of more than passing significance that the referendum taken by the United States Chamber of Commerce in 1919 showed nearly a two-to-one vote in favor of 'a system of national employment offices with due provision for cooperation with existing state and municipal systems.' A change of a dozen votes out of 1,051 cast would have committed this businessmen's organization to the policy of favoring the extension of public employment offices."—*Glenn A. Bowers in "Law and Labor."*



COMMISSIONER CHARLES R. BLUNT of New Jersey has requested a representative group of business, professional, labor and industrial leaders to serve as an advisory committee to study and recommend methods for improving the public employment service in that state.



THE use of fee-charging employment agencies by the Department of the Interior to supply workers for the building of Boulder Dam resulted in a protest by international officials of the electrical workers' union because of the exorbitant fees charged by these agencies. The government has now agreed to discontinue this practice and to set up its own employment agency.



A RECENT study made by the Welfare Council of New York City shows that the annual expenditure by municipal agencies for out-door relief in that city increased from \$229,000 in 1910 to \$5,777,000 in 1926. Of the 1926 expenditures, \$5,174,000 were expended by the Board of Child Wel-

fare which administers the mothers' pension law. The same study shows that the people of New York City are contributing nearly \$14,000,000 a year for the work of all outdoor relief agencies in the city.



"THE American Association for Labor Legislation apparently first launched the **long range planning of public works** into the field of practical politics."—*Otto T. Mallery, in his introduction to V. A. Mund's study, "Prosperity Reserves of Public Works."*



MORE than 500,000 trade unionists have the **five-day week** according to a recent estimate by the American Federation of Labor.



It is reported that the notorious **Gaston B. Means** is representing the National Civic Federation. O. K!



A MOVEMENT to abolish **night work** for women and minors in the cotton mills, begun by the South Carolina Cotton Manufacturers Association, received official endorsement at the annual meeting of the Cotton Textile Institute in New York, October 15. However, as Grace Abbott, chief of the United States Children's Bureau, has pointed out, there is danger that such a voluntary agreement will prove ineffective unless backed up by legislation.



MORE than a thousand people will have been killed by **pellagra** in North Carolina during the twelve months ending in December, 1930, reports the state's expert on vital statistics. Low wages and unemployment are important factors contributing to the ravages of this disease.



THE new attorney-in-chief of the **Legal Aid Society** of New York City is W. Bruce Cobb, former magistrate and prominent social worker.



THE appointment of **Courtney Dinwiddie**, well known authority on child health, as executive secretary of the National Child Labor Committee was recently announced.



THE National Child Labor Committee has announced that **Child Labor Day** is to be observed January 24-26. Posters and leaflets for distribution and suggested programs for use by organizations and schools may be secured free of charge from the headquarters of the committee at 215 Fourth Avenue, New York City.

THE economic burden of ill health, both to workers and their employers, was emphasized in a recent announcement of the U. S. Public Health Service which pointed out that on any given day in the United States, an average of 2,450,000 people, one third of whom are workers, are disabled because of sickness.



THE Consumers' League of New York has recently issued a new edition of its **white list** of candy manufacturers who maintain for their employees fair standards of wages, hours, and sanitary conditions.



ANNOUNCEMENT has been made that the **New York State Fund**, on January 1, 1931, will write compensation at an advance discount of 21 per cent from the manual rates. On that same day, the rates charged by other carriers in New York will be increased an average of 10.3 per cent.



THE *Kansas City (Mo.) Star* in a leading editorial entitled "**A Slick Insurance Trick**" pointedly calls attention to the insurance companies' application in Missouri for an increase in compensation rates which was made immediately after the defeat of the state fund proposal at the election on November 4. "Of course they had planned the increase for some time," says the *Star*, "but if their plans had become known they might have caused the adoption of proposal No. 4. So they waited until after the election to show their hand. This is what Missouri has come to regard as a typical action of companies that are constantly fighting the state for all the traffic will bear."



As a result of the continued campaign of the Pennsylvania compensation board to compel employers to carry workmen's compensation insurance, a Pittsburgh employer who pleaded guilty in a criminal court to a charge of **failure to comply with the insurance provision** of the law was paroled for three years on condition that he would make restitution to his injured employee.



IN his report for 1930, Commissioner Engerran of the Louisiana Department of Labor and Industrial Statistics points out that the only **safety law** on the statutes of that state is a law "prohibiting the wiping of machinery while in motion in places where women and young persons are employed." He urges the legislature to enact a safety and lighting code and to require employers to report all industrial accidents when the loss of time equals or exceeds one week.



COMMISSIONER R. E. WENZEL of the North Dakota Workmen's Compensation Bureau reports that the **number of industrial accidents** in that

state in July and August of this year was greater than that for the entire year from July 1, 1919, to July 1, 1920.



THE Florida Insurance Commissioner in his 1930 annual report points out that **Florida** is one of only four states without a workmen's compensation law and expresses the hope "that the legislature of 1931 will pass a satisfactory act of this nature."



NORTH CAROLINA which enacted its workmen's compensation law in 1929 held its first **state-wide safety conference**, at High Point, in November. The conference was called by the state industrial commission.



THE Federal Women's Bureau states that 24,000 persons lost their lives in **home accidents** during the past year and points out the need of including domestic servants under the workmen's compensation laws.



THE Carolina Coal and By-Products Company operating a coal mine in North Carolina, after electing to operate under the workmen's compensation act, has filed a rejection notice because the company's operations are considered so hazardous that it has been **unable to procure compensation insurance**. Insurance Commissioner Boney announced several months ago that he would not require any of the insurance carriers operating in the state to assume the risk and the company has been unable to qualify as a self-insurer.



DR. FRANK A. BESLEY of Chicago, head of the Committee on Research in Traumatic Surgery of the American College of Surgeons, urges that compensation laws be amended to bring about **better medical care** in industrial accidents.



EXPERIMENTS are being conducted at Purdue University to determine whether **helium** will prevent the "bends" of divers.



GLENN A. BOWERS, of the Industrial Relations Counselors of New York, in addressing the Institute of Public Affairs at Charlottesville, Virginia, in August, said: "With state accident compensation and mothers' pension laws already well nigh universal, with the state old-age pension movement in full swing and with agitation of state unemployment insurance reaching the point of advocacy by a Governor of a

premier state, a potential candidate for the Presidency of the United States, there can be no mistaking the course of **social insurance** in this country."



DR. NILES CARPENTER reports for the committee on the **costs of medical care** that a Binghamton, New York, shoe firm has furnished complete free medical service to its 15,000 employees and their families at an average yearly cost per individual of \$21.81. The personnel of the medical service includes 28 physicians, 4 dentists, 67 trained nurses, and 32 technical and professional assistants.



NATIONAL and international unions included in the annual survey by the American Federation of Labor, **paid out over \$32,000,000** in sickness, disability, death, and unemployment benefits and old age pensions during 1929.

E. STAGG WHITIN, through the National Committee on Prisons and Prison Labor, New York City, has issued a new pamphlet "**Labor for the Benefit of the Prisoner**," which concisely and interestingly presents the historical development of this problem. "The hundred years of scandal and injustice are ending. The prison labor problem is being solved," concludes Dr. Whitin.

THE United States Bureau of Labor Statistics reports that "**failure to pay wages when due** continues to be a serious and widespread evil in the United States." Although claims settled through State labor officials in 14 States numbered 26,690 and amounted to more than \$1,352,000 in 1929, the Bureau finds that legislative protection of the worker's right to wages is still far from adequate.



NEWSPAPER men are receiving a practical lesson in **government by injunction** as a result of their fight against the Minnesota law which permits the suppression by injunction of any newspaper the court considers a nuisance. The American Newspaper Publishers' Association is supporting an appeal to the United States Supreme Court.



"We have a quaint idea in this country that by some hocus-pocus laws administer themselves. Once the statute is on the books, Congress and the legislatures seem to think the job is done. Unfortunately, however, **new laws are not equipped with self-starters**," says the editor of *Colliers*. That's the reason why the American Association for Labor Legislation is devoting half of its efforts to discovering the most effective methods of labor law enforcement.

An American Plan for Unemployment Reserve Funds

Tentative Draft of An Act

Submitted as a Basis for State Legislation by the
American Association for Labor Legislation

INDUSTRIAL managers, as good business practice, set aside a dividend reserve fund out of which to pay stockholders during periods when their plants are idle. It is urged that an *unemployment reserve fund* should also be provided in order that their wage-earners may be tided over temporary periods of involuntary idleness.

The state can take a hand in the establishment of such a reserve. One method by which it may fruitfully do so, under the conditions prevailing in this country, is embodied in this tentative draft of an unemployment reserve bill. Instead of the plan featured in European relief schemes, this bill requires employers to contribute a small fixed percentage of their payrolls to a fund which will be administered so as to furnish to employees such benefits as the condition of the fund will permit. Employees are not required to contribute to the fund, but they do, of course, bear a considerable portion of the cost of unemployment owing to the limits placed upon benefits. A maximum limit of ten dollars a week is fixed, and no employee is to receive benefit for more than thirteen weeks in a year nor for more than one week for each four weeks in which he has been employed by employers subject to the act. Opportunity is offered workers in any industry voluntarily to elect to pay contributions and thus receive additional benefits. Payments are not to be made to persons who are unemployed owing to stoppage of work due to a trade dispute and no one is to be denied benefits for refusal to take a job where there is such a dispute.

The bill recognizes that it is essential to any system of unemployment benefits that there should be a work test. It provides for the application of this test through employment offices, and it is to be expected that the operation of the plan will result in a reduction of unemployment by furnishing jobs instead of benefits wherever possible.

If the right to benefit is contested, it will be passed upon by the officer in charge of an employment office, and an appeal is allowed to an appeal board on which sit a representative of labor, an employer, and a neutral arbiter.

The administration of the plan in each industry is placed in the hands of an Employment Stabilization Board provided for that industry, under the supervision of the State Department of Labor. Since employers who are contributing to the fund are in a position to aid effectively in stabilizing employment in their industry, it is provided that when those who employ a majority of its workers elect to do so they are authorized to administer the fund for their industry and conduct an employment office for its employers and employees subject to the approval of the State Department of Labor.

Employers who furnish satisfactory proof of their ability to pay benefits equal to those which the reserve fund for their industry pays are permitted to make the payments directly to their employees, and relieved from the duty of contributing to the fund. Those who remain in the fund are encouraged to reduce unemployment among their employees by the possibility of the payment of dividends on the basis of their employment experience.

This proposal in the course of its development through many months of conferences and correspondence has been submitted to a large group of interested citizens for criticism and suggestions. In submitting this draft for wider consideration the American Association for Labor Legislation expresses appreciation of the earnest cooperation of its group of advisers, representative of special knowledge and practical experience in unemployment insurance administration, including among others: Leo Wolman and Sidney Hillman of the Amalgamated Clothing Workers of America; Bryce M. Stewart and Mary Gilson of the Industrial Relations Counselors, Inc.; John R. Commons, University of Wisconsin; Morris E. Leeds of Leeds and Northrup Company, Philadelphia; Ernest G. Draper of Hills Brothers Company; George Soule of the Labor Bureau, Inc.; Paul H. Douglas, University of Chicago; Frances Perkins, Industrial Commissioner of New York State; William Mack; Olga Halsey; John A. Fitch; Sir William Beveridge of England; Judge Bernard L. Shientag; Joseph P. Chamberlain of Columbia University.

Additional copies of this proposal may be had by addressing John B. Andrews, Secretary, 131 East 23d Street, New York City.

DRAFT OF AN ACT FOR UNEMPLOYMENT RESERVE FUNDS

SECTION 1. Short Title. This act shall be known as the "unemployment reserve law."

SECTION 2. Definitions. As used in this act:

1. "Department" means the department of labor;
2. "Commissioner" means the commissioner of labor;
3. An "employment", except where the context shows otherwise, means any employment for hire within the state, except:
 - (a) employment as a farm laborer; or
 - (b) employment not in the usual course of trade, business or occupation of the employer;
4. "Employee" means any person employed by an employer in an employment subject to this act, except a person employed at other than manual labor at a rate of remuneration of fifteen hundred dollars a year, or over;
5. "Employer", except when otherwise expressly stated, means a person, partnership, association, corporation, and the legal representatives of a deceased employer, or the receiver or trustee of a person, partnership, association or corporation including the state and a municipal corporation or other political subdivision thereof, employing six or more employees in a common employment;
6. "Fund" means the unemployment reserve fund established by this act;
7. "Benefit" means the money allowance payable to an employee as provided in this act;
8. "Wages" means the money rate at which the service rendered is recompensed under the contract of hiring in force at the time the employee became unemployed, including the reasonable value of board, rent, housing, lodging or similar advantage received from the employer.

SECTION 3. Liability for payment of benefits. Benefits shall be paid to every unemployed employee by the industry fund to which his last employer belongs, or by his last employer if he has been exempted from the payment of contributions to the fund.

SECTION 4. Benefits. 1. An employee shall be entitled to demand benefits on account of unemployment which continues subsequent to a waiting period of two weeks after notification of unemployment.

2. Benefits shall be payable at a rate as provided herein but not to exceed:
 - (a) ten dollars a week to an employee of eighteen years or over, or five dollars to an employee under eighteen years; or
 - (b) sixty per cent of his weekly wages;whichever is the lower.

3. Benefits shall be paid for a period to be fixed as provided herein but not for more than thirteen weeks in one calendar year, nor in a greater ratio than one week of benefits to four weeks of employment by one or more employers in the state during the two preceding calendar years;

4. Benefits shall be paid to an employee only:

- (a) if he has been employed by one or more employers in the state for not less than twenty-six weeks during the two preceding calendar years;

(b) while he is capable of and available for employment and unable to obtain employment in his usual employment or in another employment for which he is reasonably fitted. But he shall not be required to accept employment:

(1) in a situation vacant in consequence of a stoppage of work due to a trade dispute;

(2) if the wages, hours, and conditions offered be not those prevailing for similar work in the place of employment or are such as tend to depress wages or working conditions.

5. The duty of paying benefits shall not be shifted by employment for less than six days if such employment is temporary in character.

SECTION 5. When benefits not paid. An employee shall not be entitled to benefits:

1. if he has lost his employment through misconduct; or

2. if he has left his employment voluntarily without reasonable cause; or

3. if he has left or lost his employment due to a trade dispute in the establishment in which he was employed, so long as such trade dispute continues.

SECTION 6. Break in unemployment. 1. Employment at any work for which provision of benefits is not required, shall suspend the right to benefits. If the employee becomes unemployed after three months or more of such employment, his right to benefits shall recommence upon notification of unemployment and the running of the waiting period. If he becomes unemployed within three months of his acceptance of such employment, his right to benefits shall recommence upon notification of unemployment.

2. If an employee undertakes such employment during the two-weeks waiting period it shall not affect the running of such period if it continues for six days or less.

3. The employee shall inform the employment office at which he has given notification of unemployment, when he begins and leaves such employment.

SECTION 7. Notification. An employee may give notice of his unemployment either in the state employment office for the district in which he resides or in the employment office established under this act by the industry in which he is usually or was last employed.

SECTION 8. Proof of right. The employee shall prove his right to benefits and the continuance of such right in such manner as may be provided by the rules and regulations of the department.

SECTION 9. Jurisdiction continuous. Jurisdiction over benefits shall be continuous. Benefits paid to any individual shall be modified whenever necessary to make the amount correspond to the amount or period fixed by the appropriate industry board.

SECTION 10. Method of determining disputed right to benefit.

1. If the employer, or industry fund liable to pay benefits, upon request by the employee, fail to pay, or to continue to pay, the benefit as provided in this act, the employee may file a claim with the officer in charge of the employment office at which he has given notice of his unemployment. The claim must be filed within one month of default in payment.

2. If such officer believe the claim correct, or as soon as it has been corrected, he shall notify in writing such employer or industry fund, of the claim and that he may contest it by filing, within five working days after receipt of notice, a denial of the claim in such form as the department may provide; and such denial shall operate as an application for a hearing before the officer.

3. If the claim appear to such officer invalid or improperly made, he shall, within three days, notify such employer, or industry fund. He shall also notify the employee of his right to make an application for a hearing before the officer which must be made within five working days. Such notifications and applications shall be in such form as the department may provide.

SECTION 11. Appeals. The commissioner shall provide for an appeal from the decision of the officer to an appeal board of three members, appointed by the commissioner. This appeal board shall contain one employer and one employee, or representative of employees, who shall be resident within the district for which they serve, and one person who is not an employer, an employee or a representative of either.

SECTION 12. Questions of law to court. The commissioner, or an appeal board, may certify questions of law to the (appropriate court).

SECTION 13. Agreement to contribution by employees void. No agreement by an employee to pay any portion of the payment made by his employer for the purpose of providing benefits either through the fund or otherwise, shall be valid and no employer shall make a deduction for such purpose from the wages or salary of any employee. But nothing in this act shall affect the validity of voluntary arrangements whereby employees individually or collectively agree to make contributions for the purpose of securing unemployment benefits in addition to those provided by this act.

SECTION 14. Waiver of agreement void. No agreement by an employee to waive his right to benefits under this act shall be valid.

SECTION 15. Assignments. Benefits due under this act shall not be assigned, released or commuted and shall be exempt from all claims of creditors and from levy, execution and attachment or other remedy for recovery or collection of a debt, which exemption may not be waived.

SECTION 16. Administration. 1. This act shall be administered by the department of labor and the department shall have power to make all rules and regulations and to make all appointments which are necessary for the enforcement of the act.

2. The commissioner shall appoint for two years an employment advisory committee, consisting of an equal number of representatives of employers and employees, to be selected from lists submitted for that purpose by employers and employees, and one person who is neither an employer, an employee nor a representative of either and who shall act as chairman. The committee shall meet on the call of the commissioner and shall assist the commissioner without pay in investigations and the general administration of this act.

SECTION 17. Exemption. 1. The commissioner may exempt from the duty of paying contributions to the fund, an employer:

(a) who furnishes satisfactory proof of financial ability to pay the benefits fixed for unemployed persons in his industry, or the most similar industry as determined by the commissioner; or

(b) who submits a plan for unemployment relief which in the opinion of the commissioner will give benefits at least equal to the benefit as estimated in subsection (a) of this section.

2. As a condition to granting exemption, the commissioner shall require the employer to furnish such security as he may deem sufficient to insure payment of all benefits, including the setting up of proper reserves. He may from time to time require further proof of financial ability of an exempted employer. For lack of such proof, or for failure to comply with the provisions of this act, or with the rules and regulations of the department, the commissioner may, upon ten days' notice and opportunity to be heard, revoke the exemption of any employer.

3. An exempted employer shall pay the benefits provided for in subsection one of this section.

SECTION 18. Unemployment reserve fund. There is hereby created a fund to be known as "The Unemployment Reserve Fund." Such fund shall consist of all contributions received and paid into the fund, of property and securities acquired by and through the use of moneys belonging to the fund and of interest earned upon moneys belonging to the fund and deposited or invested. Such fund shall be applicable to the payment of benefits.

SECTION 19. Payment of contributions. Contributions shall be paid by employers to the fund at such times as may be fixed by the commissioner, at the rate of one and one-half per cent of the wages paid to employees.

SECTION 20. Record and audit of payrolls. Every employer shall keep a true and accurate record of the number of his employees and the wages paid by him, and shall furnish to the commissioner, upon demand, a sworn statement of the same. Such record shall be open to inspection at any time and as often as may be necessary to verify the number of employees and the amount of the payroll. Any employer who shall fail to keep such record or who shall wilfully falsify any such record, shall be guilty of a misdemeanor.

SECTION 21. Collection of contributions in case of default. If an employer shall default in any payments required to be made by him to the fund, after due notice the amount due from him with interest at six per cent from the date when due, shall be collected by civil action against him in the name of the commissioner, and the same when collected, shall be paid into the fund, and such employer's compliance with the provisions of this act requiring payments to be made to the fund shall date from the time of the payment of said money so collected.

SECTION 22. Bankruptcy. In the event of bankruptcy or insolvency of an employer, the amount due for contribution shall be a preferred asset second only to wages.

SECTION 23. Classification of employments. The commissioner shall classify the employers in the fund into industries or groups of industries. The assets of each such class shall constitute a separate branch of the fund, to be known as its industry fund, and shall be liable for the benefits payable to employees whose last employer was a member of such class.

SECTION 24. Organization of industry funds. 1. Upon classification of any industry, or group of industries, the commissioner shall provide a board of not less than five members, at least three of whom shall be employers in such industry. The board shall be known as the Employment Stabilization Board for the (name of industry) Industry. Each member of the board shall hold office for the period of one year, or until his successor is appointed and qualifies.

2. The board shall have power :

(a) for the purposes of this act, to make rules and regulations for its class, which shall take effect when approved by the commissioner; and

(b) to fix periodically the amount of benefits payable from its industry fund, the period for which payable, and the times of payment, subject to the provisions of the act and the approval of the commissioner and the superintendent of insurance. Such benefits shall be as near the amount of the maximum provided herein as the condition of the industry fund of such class permits, and the decision of the board may be modified from time to time so that such fund shall always remain solvent; and

(c) to award dividends to employers based on their experience in maintaining regular employment; and

(d) subject to the approval of the commissioner, to appoint and fix the remuneration of the officers and employees of its industry fund; and

(e) to do all other things which may be necessary for carrying on the business of its industry fund.

3. Whenever more than two employers in a classified industry employing more than half of the persons employed in such industry, shall so request, the commissioner may provide for the election of the board by the employers in the industry and may provide for a vote by each employer in proportion to the total number of his employees. Such employment shall be corrected for each annual election. If votes at any such election are not cast by more than two employers employing more than half of the employees in such industry, the election shall not be valid, and the commissioner shall appoint the members of the board.

SECTION 25. Employment offices. Any employment stabilization board elected by the employers may, with the approval of the commissioner, create an employment office to serve the employers in the industry, and such branches as they may think desirable. The expense of such office shall be a charge upon the assets of the industry fund. Such board shall, subject to a minimum remuneration fixed by the commissioner, appoint and fix the remuneration of the officers and employees of such employment office, and shall, with the approval of the commissioner, make rules and regulations for its operation.

SECTION 26. Powers of commissioner. 1. Each employment stabilization board shall make such report to the commissioner as he shall request and their books, accounts and records shall at any reasonable time be open to him or to any duly accredited representative. He may at any time investigate the conduct of an employment office maintained by such a board.

2. The commissioner may make rules and regulations to provide for the cooperation between the industry employment offices and with the public employment offices.

SECTION 27. **Expenses of administration.** The expenses of administration shall be borne by the state, except as otherwise provided in this act.

SECTION 28. **Expense of hearings.** Fees of witnesses and other expenses involved in hearings and appeals under this act shall be paid on the same rate as similar expenses are paid in hearings under the Workmen's Compensation Law and shall be treated as expenses under this act.

SECTION 29. **Penalties.** 1. Any person who wilfully makes a false statement or representation:

(a) to obtain any benefit or payment under the provision of this act, either for himself or for any other person; or

(b) to lower contributions paid to the fund; or

2. any person who wilfully refuses or fails to pay a contribution to the fund; or

3. any employer who shall make a deduction from the wages or salary of any employee to pay any portion of the contribution to secure benefits under this act; shall be guilty of a misdemeanor.

SECTION 30. **Separability of provisions.** If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 31. **Time of taking effect.** This act shall take effect immediately, except that the requirements in respect of benefits and applications for benefits shall take effect on January first, 1932.

"There are in this country approximately fifteen firms which now maintain their own reserve funds for the purpose of paying employees during temporary layoffs. Possibly the chief advantage of an unemployment benefit system is the incentive which it affords to the employer to reduce unemployment. Payments made as unemployment compensation can be charged directly against operating expenses while wastes and inefficiency in operation which tend to cause unemployment are the result of intangible factors, the cost of which cannot be definitely measured. When a foreman is aware that faulty planning on his part may result in a period of enforced idleness for some of his employees which must be compensated for from the company funds, a great inducement to avoid such a contingency is provided."—CHAMBER OF COMMERCE OF THE UNITED STATES, *"Balancing Production and Employment Through Management Control."*

Unemployment—In the Cartoons

The coming of the second winter of unemployment is a national catastrophe. With savings gone and with body and spirit exhausted by weeks and months of fruitless search for the opportunity to earn a living, the unemployed must now by the tens of thousands turn to the doles of charity. Intelligent provision against such a nationwide crisis as this is a national responsibility which must no longer be shirked.



—The New York World

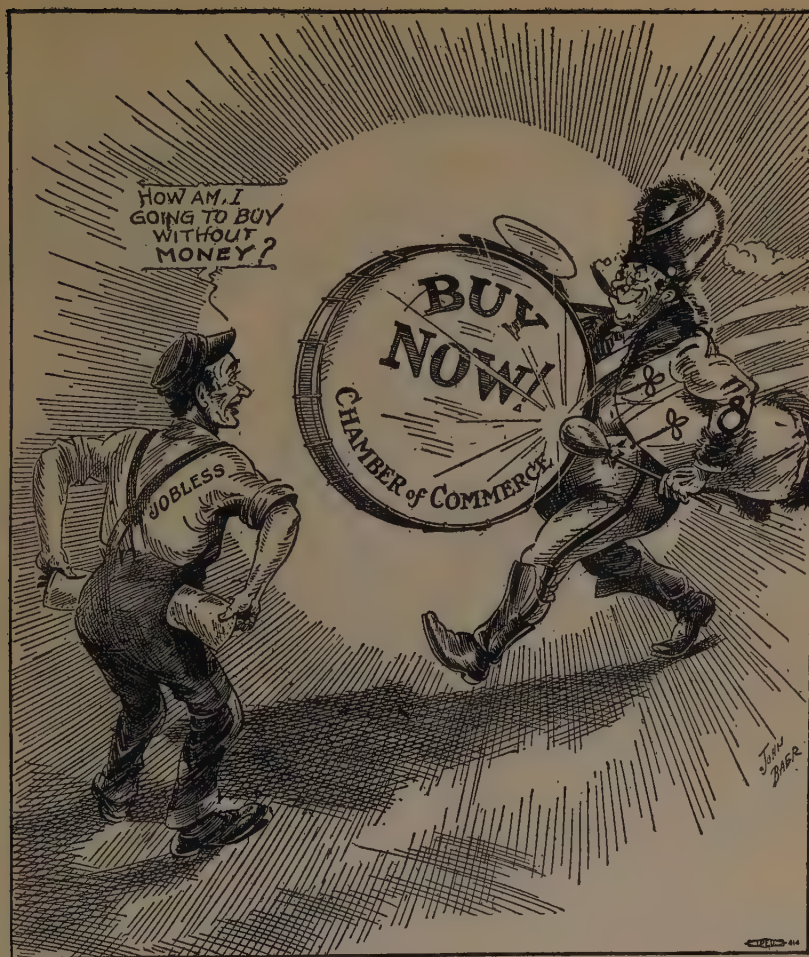
And This Is the Second Winter!



The Ostrich

—Washington (D. C.) News

For more than fifteen years, the American Association for Labor Legislation has urged the need for federal and state legislation to safeguard workers and the public from the worst effects of unemployment. Through standard recommendations, it has continuously and consistently advocated the creation of *permanent* governmental agencies for unemployment prevention and for the systematic protection of the unemployed. Many of these recommendations, including the advance planning of public works and an adequate federal-state system of public employment offices, have been repeatedly endorsed by official commissions. And yet still another unemployment crisis finds the United States unprepared.



—Labor

Buy How?

Some business men and politicians have placed extraordinary faith in “booster” methods of alleviating unemployment. A year ago, they repeatedly prophesied that “the bottom had been reached” or “the corner had been turned,” with the obvious hope that these prophesies would themselves bring about the happy results predicted. Those who continue to trust this device of “forced optimism” now place their hopes upon the slogan: “Buy Now!” To which *Labor* responds: “Buy How?”

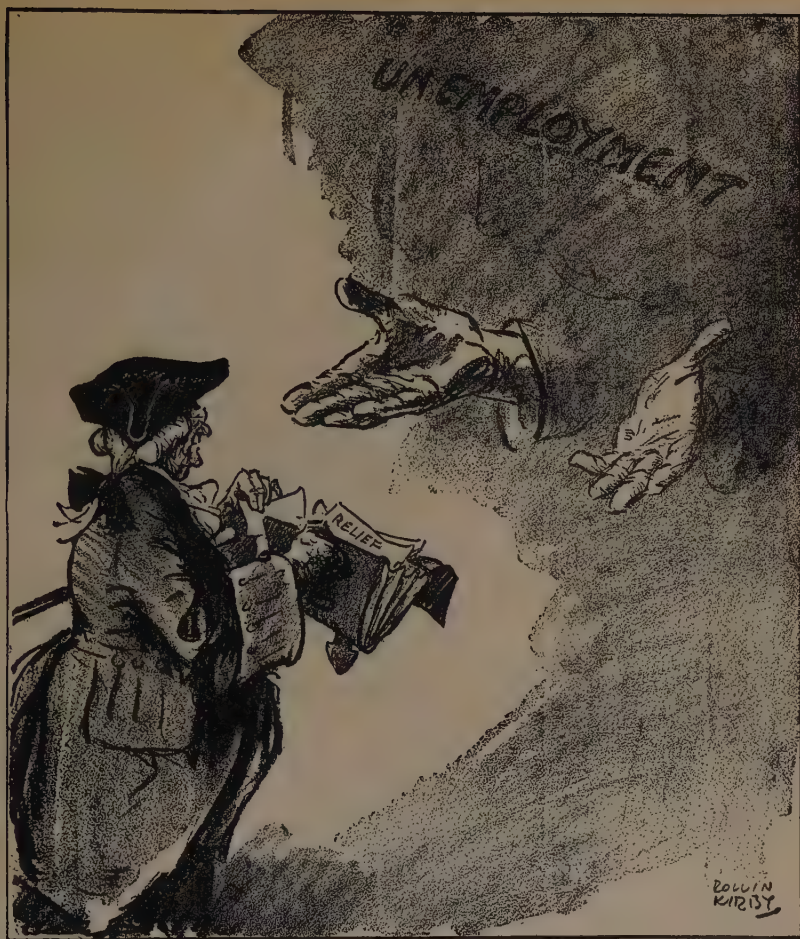


FRED O. SEIBEL

—Richmond (Va.) Times-Dispatch

The Wolf at the Door!

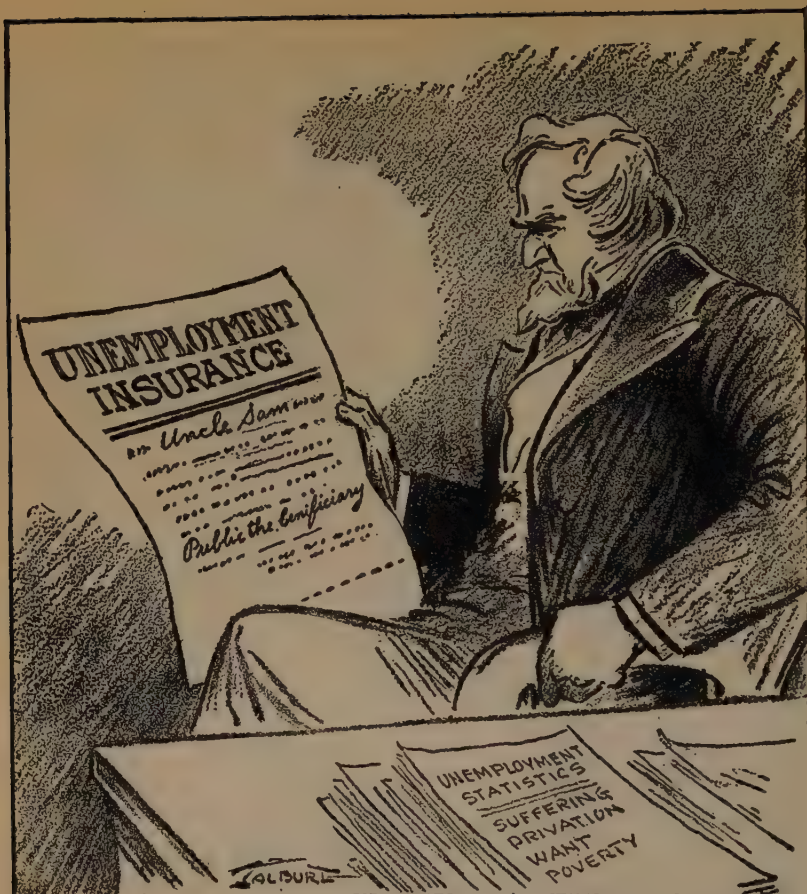
With the wolf already at the door, national and local governments have hastened to provide emergency relief for the unemployed. This belated recognition of governmental responsibility emphasizes the need of permanent and more carefully planned programs.



—New York World

The American Dole

This winter, public and private charity amounting to millions of dollars will be doled out to the unemployed workers of America. In the larger cities, breadlines and soup kitchens will be crowded to capacity. Everywhere, many families will be dependent upon charity for food, clothing and shelter. The community will thus bear a burden for which industry is in large measure responsible but for which it refuses to provide. How much longer will this country permit industry to evade its full share of responsibility?



—New York Telegram

A Good Policy!

Industry may be made to bear part of the burden of unemployment by a well devised system of unemployment insurance. The modern business practice of maintaining reserve funds to insure payment of dividends to stockholders when capital is idle, suggests the creation of similar reserve funds to insure an income to idle labor. Just as employers are now required by law to provide accident insurance for *injured* workers, so they should be required to provide unemployment insurance for their *unemployed* workers. A few employers have already recognized this responsibility. Legislation is now needed to make such provision universal.

Social Justice Is Sound Business

By HERBERT MAYNARD DIAMOND

Professor of Economics, Lehigh University

IT IS the logic of events, scarcely the pleas of humanitarian theorists, which has forced the unemployment insurance issue into the foreground. The panic of emergency preparations now sweeping the country is convincing most thoughtful persons that the path of wisdom for the future will lie in the direction of preventive and forehanded social measures. Moreover, the conviction is becoming general that involuntary unemployment is no less a social cost of industry unjustly falling upon the wage-earner than are industrial accidents.

Surely the amounts of money expended in the United States for relief purposes are sufficiently large to impress even the most conservative with the necessity for system and economy in their disposal. When authoritative calculations of such expenditures place them far in excess of one billion dollars annually, and when taxes in some states for such purposes run above seven dollars per capita, the public may be expected to give heed to suggested economies.

Social insurance projects have public economy definitely in mind; for it is certainly a matter of common knowledge that much of our present administration of relief is but poorly conducted. In part these unsatisfactory results are due to that weakness of public housekeeping so frequently manifest in the United States; but to no less a degree they arise from the very conditions under which public relief is provided. Ordinarily our public charities are but palliatives, of necessity promiscuously applied. Traditional relief measures have notoriously failed to get at causes; they have dealt with disaster after the fact; perforce, in such event, they are wasteful, often indiscriminate, and unscientific. Recognition of basic causal factors is always essential to a constructive approach to any social problem.

Social legislation of the sort at present up for consideration in this country promises to rationalize in marked degree what is

now one of the least effective of our public activities; for it is now proposed to search out causes and to deal with them. Temporarily, of course, some increase of public expenditures may follow; in the long run, however, marked decreases in charitable expense may be expected as the result of an effective system of social legislation.

It is a well known business principle that to save money, one must frequently first lay out some money; sound business policy often is equally sound social policy. Just why some business interests should set up a determined resistance to any and all efforts to place this entire matter upon an economic and scientific basis under a competent and centralized administration raises queries as to their keenness of economic judgment. In the conduct of their private affairs business men continually heed the maxim about *the ounce of prevention*, and they rarely fail to cover their insurable risks. Have these wise business policies no social applications?

Legislators Must Face New Problems

Legislators must be able to display the genius of the age in which we are living. Can it be said that while mechanics, electricity, chemistry are striding forward legislation is unable to move? I refuse to concede any such legislative atrophy. What good is progress, science, and invention if they are not to be used for the benefit of all the people? What good is it to a country in the long run if millions of dollars of profits are made by industries if at the same time millions of men, women, and children are starving by reason of unemployment? We must, as legislators, face the situation and as new methods of production are brought forth be ready to improve conditions of labor. We must make a start, and we must do so promptly.—*Fiorello H. La Guardia*,
Member of Congress from New York.

Another Commission Reports

G OVERNOR Roosevelt's New York Commission on Stabilization of Industry for the Prevention of Unemployment reported on November 13, in an exceptionally well-written memorandum by Paul H. Douglas—covering the usual points frequently made as to methods by which a very small minority of employers have attempted with some success to stabilize employment in their own establishments. In conclusion, the committee, which includes, *ex-officio*, Frances Perkins of the Governor's cabinet, recommends that the study of unemployment insurance be left to "a competent national body".

The portion of the report under the heading, "Stabilization of Wage Earners' Incomes," is as follows:

"We must face the fact that despite the efforts to minimize it some unemployment will continue. Good management may reduce but will not eliminate seasonal unemployment. Good management, in its zest for improvements, may on the other hand, at times increase technological unemployment. Cyclical fluctuations may be lessened in part by an intelligent public works policy, but their control lies outside the power of state and federal agencies.

"Despite all efforts therefore a large number of workers and their families will continue to confront hardships from the effects of business depressions. How then may these workers and their dependents be protected against the hardships and uncertainties of these periods? Society cannot rest until it has satisfactorily answered this question. Charity while necessary at present, should not be the final method by which the worst effects of unemployment are alleviated. Charitable relief is often inadequate in amount and carries with it a sense of degradation which causes large groups to suffer greatly before they will ask for aid.

"Several courageous plans have been launched by employers and workers to meet this problem. In the clothing and fur trades of New York City, employers and employees have set up joint insurance funds which give relief to the most needy unemployed. A similar fund has been established in the men's clothing industry of Rochester and New York. In the last few months the General Electric Company under the leadership of its president, Mr. Gerard Swope, has initiated a comprehensive plan which has now been adopted by virtually all of the constituent works of the company. This plan calls for the payment of one per cent of the earnings of workers who accept the plan, matched by equal contributions by the company. While the plan does not provide for workers who are dropped from the company's employ because of lack of work it does propose to take care of those who are laid off but still retained on the rolls without pay. After a two-weeks' waiting period during

which no benefit is given, the unemployed worker is paid 50 per cent of his average full-time earnings, with a maximum limit of \$20 a week, for not more than (10) ten weeks during the year.

"A further interesting feature of the plan is that when the expenditures from the fund are equal to its receipts, the company proposes to declare a state of emergency and thereafter every employee at the particular works affected from the manager down will contribute an added one per cent of his full-time earnings, irrespective of whether he is or is not a member of the plan. At such times the sales force and general administrative staff from the president down will also contribute to the fund. This practice will put some pressure on the sales and administrative staffs to get business in order to keep the plant running. The company will add an extra one per cent of the payroll to match the extra contributions of the workers. A maximum possible fund of 4 per cent can thus be set up.

"While all of the workers will thus be liable for assessments during periods of emergency, benefits may only be paid to those who have previously agreed to have one per cent deducted from their earnings. Since the large majority of employees in the several plants who voted favorably for the plan automatically become members of the plan and eligible for its benefits there is a very strong incentive placed upon the remainder also to join and thus be able to share the protection which they may be assessed to maintain. It is expected therefore that nearly all of the 88,000 employees of the company will in the not distant future come under the plan.

"Such attempts as these to protect workers and their families against one of the greatest causes of misery in modern times are worthy of all praise. They should be studied by private industry and by labor and in one form or another, whether as dismissal wages or insurance against unemployment, should be widely copied. Such payments are not doles nor are they merely palliatives. In the first place, they extend to labor the same type of financial protection against depressions and bad years which many well-managed companies can now give to their stockholders. Such systems will also help stabilize industry itself. The very fact that workers will have incomes which they otherwise would not receive will give them increased purchasing power in depression periods. If the success in accident prevention following the adoption of the compensation law is a criterion of what will happen when unemployment is made a direct expense to industry as it is made in the General Electric Company there will be added incentive to reduce it and industry will turn with increased vigor to those regulatory devices which are designed to lessen seasonal fluctuations.

"If reasonable stabilization of the wage-earners' incomes can be effected by voluntary action of employers and employees for the majority of the workers a great boon will result to the State. Perhaps some form of voluntary unemployment insurance can be devised and paid for by employers and workers analagous to group health and life insurance now so extensively supplied by insurance companies. If management does not bend itself to this task of stabilizing income, however, then it seems inevitable that the State will by its own initiative seek relief for the evils of unemployment as they affect the worker. We are aware that American opinion is by no means settled on the

wisdom of such elaborate systems of unemployment insurance as have been adopted in England and European continental countries. It fears addition to the already extensive bureaucracies; it hesitates to dampen effort to sustain business activity, and to discourage the provision by individual workers for bad times out of savings made when times are good. On the other hand, the public conscience is not comfortable when good men anxious to work are unable to find employment to support themselves and their families."



A State Commission Pledged

Governor Roosevelt, as leader of the Democratic Party of the state, is pledged by his party platform to the creation of a commission in New York instructed to make "a scientific study of * * * unemployment insurance."



—New York Journal

Why Not Have a Parachute?

World Progress of Unemployment Insurance

TWENTY countries now have adopted systems of unemployment insurance covering more than 49 million wage earners. These systems may be grouped into two classes—compulsory plans and subsidized trade union and mutual benefit funds. The following table¹ indicates the number of workers insured in the various countries and the years in which the systems were inaugurated.

Compulsory Systems

| | |
|--|------------|
| Australia: Queensland (1922)..... | 137,000 |
| Austria (1920) | 1,300,000 |
| Bulgaria (1926) | 287,000 |
| Germany (1927) | 18,200,000 |
| Great Britain and Northern Ireland (1911)..... | 12,094,000 |
| Irish Free State (1920)..... | 284,000 |
| Italy (1919) | 2,600,000 |
| Luxemburg (1921) | |
| Mexico (1929) | |
| Poland (1924) | 1,033,000 |
| Switzerland (7 Cantons) | 113,000 |
| U. S. S. R. (Soviet Russia) (1922)..... | 10,000,000 |
| <hr/> | |
| Total insured | 46,048,000 |

Subsidized Systems

| | |
|---|-----------|
| Belgium (1920) | 638,000 |
| Czechoslovakia (1921) | 1,300,000 |
| Denmark (1921) | 277,000 |
| Finland (1917) | |
| France (1905) | 165,000 |
| Netherlands (1916) | 391,000 |
| Norway | 36,000 |
| Spain (1919) | |
| Switzerland (Cantons having systems of voluntary insurance) | 117,000 |
| <hr/> | |
| Total insured | 2,984,000 |

The total number covered by unemployment insurance under both the subsidized and compulsory systems thus approaches 50,000,000 wage earners.

¹ Figures are taken from the annual report of the director of the official International Labor Office, 1930, p. 223; and from "Unemployment Insurance in Foreign Countries" in the *Monthly Labor Review*, October, 1930. The number of insured workmen in Great Britain and Northern Ireland is taken from the Ministry of Labour *Gazette*, September, 1930.

State Control of Job Agencies

By HENRY D. SAYER

Formerly Industrial Commissioner, State of New York

(Editor's Note: Mr. Sayer's long practical experience as secretary of the New York Industrial Commission, as state industrial commissioner, and as director of investigations for the New York Industrial Survey Commission, makes him especially qualified to speak on this subject.)

IN order to eliminate abuses practiced by some fee-charging employment agencies it is essential that there be an effective system of licensing and inspection combined with an industrial and social viewpoint. Such supervision does not exist in the state of New York at the present time; nor can it be had through any method of local regulation such as that now provided by law. Only when the regulation and inspection of these agencies is made a function of the state government shall we have uniform standards equally applied to all places within the state.

The recruiting and distribution of labor and the manning of our industries is to my mind as much a matter of concern to all the people of the state as is any of the matters now embraced within our state labor law. No one would today seriously urge that factory inspection should be left to local authority. No one would urge that the safety and accident prevention activities of the Labor Department should be broken up and given piece-meal to the several cities of the state. No one would urge, or be listened to if he did urge, that the hours of labor of women and protection of children at work should be matters of local concern to the exclusion of the greater interest of the state as a whole. Yet what the state of New York is willing to do for employed workers, it has so far been unwilling to do for unemployed workers.¹ Their problems, however, are similar and the interest of the state in the one is as great as in the other. In no case is the need for public protection more

¹The New York Industrial Survey Commission in 1928 found that there were approximately 1,200 licensed fee-charging agencies in New York City alone. Assuming an average of six placements per agency per day for 300 days in the year, it would appear that fully two million persons obtain employment through these commercial agencies annually.

clear than in checking fee-splitting, misrepresentation, extortion, and other abuses which have frequently been found among fee-charging employment agencies.

A Department of Labor Function

The licensing and regulation of employment agencies should be delegated to the state labor department. For one thing, that department deals with every problem of the working man with which the state has to do. The working man naturally and as a perfect matter of course turns to it to re-dress his wrongs or fancied wrongs rather than to any other department of the state government. During our recent investigation of the employment agency system, we found that innumerable complaints about employment agencies were taken to the labor department. Sometimes they went there as a matter of course and in the first instance. Other times they went there as a last resort after the actual or fancied indifference of the local authorities. Under the existing law, however, that department is powerless to do anything about these matters.

Then too, the state department of labor is dealing continually with industry in all of its forms. It is studying industrial processes and methods and suggesting improvements and the removal of industrial evils and hazards. Is it not logical, therefore, that the function of supervising the employment agencies should be in the department of the state government that has so many contacts with industry? Through such supervision, may we not hope that eventually the employment agencies may become a more definitely articulated part of our great industrial machine? I sincerely believe so.

New Law Needed

The need for a new law to regulate fee-charging employment agencies has become all the more urgent since the decision of the United States Supreme Court in the Ribnick case (48 Sup. Ct. 545) which in 1928 declared unconstitutional state control of the fees that employment agencies may charge. The practical effect of that decision has been virtually to nullify the New York employment agency law, because the control of fees was the basis of its provisions. A serious gap in the state law has thus been created which imperatively demands correction.

What is needed in New York is the enactment of a law placing the licensing and regulation of private fee-charging employment agencies in the hands of the state labor department, and providing that the present inadequate annual license fee be raised, so that there may be produced sufficient income to warrant closer supervision and at the same time a deterrent to irresponsible persons taking out an agency license. Such a law should place in the hands of the industrial board very broad rule-making powers rather than attempt to define in the statute every little and precise detail as to the kind of premises where such place should be conducted, the kind of records to be kept, and so forth. By providing that these regulations shall be promulgated by the industrial board, the views of all parties affected may be ascertained in advance, and the regulations will have far greater elasticity than is possible to obtain through statutory enactment.

These are recommendations which were unanimously adopted by the New York State Industrial Survey Commission² and presented to the legislature in its report. A bill to carry them into effect was presented to the legislature and a hearing was had upon it.³ But no action was taken upon the matter. Such a measure will undoubtedly be again introduced and pressed until it has received adequate consideration, and I hope that the voices heard before the legislature will not be the employment agents alone. It seems to me that all agencies and associations having the welfare of the working people at heart and all industrial organizations should support the measure and take steps to make their views on the subject effectively known to the legislative leaders. Only by such concerted action can the opposition of the private employment agents to effective regulation be overcome.

² This official commission was headed by leaders of both parties in the legislature and in addition was representative of the Associated Industries of New York State and of the New York State Federation of Labor.

³ See "State Regulation of Private Employment Agencies" by Frances Perkins, the present industrial commissioner of New York, *AMERICAN LABOR LEGISLATION REVIEW*, Vol. XX, No. 3, September, 1930, pp. 301-303.

"Unemployed—Buy Apples!"



—Samuel Cahan in *The (N. Y.) World*
The Apple Seller

ONE of the alternatives to the bread-line which New York City has presented its destitute unemployed has been the opportunity to sell apples on street corners. The suggestion came from a large wholesaler who has supplied the apples to the jobless at or below the wholesale market price. It was not long before the curbs in the busiest sections of the city were lined with apple sellers. The apple shippers' association later moved to introduce the plan in Chicago, St. Louis and other large cities. Besides helping the unemployed this scheme has had a stimulating effect upon the apple market.

The daily profits of these apple sellers were estimated to be from \$2 to \$5 a day. The increased demand for apples, however, has affected the wholesale price, and the unemployed now have to pay a higher price.

State Regulation of Fee-Charging Agencies Again Officially Endorsed in New York

"We believe that a substantial improvement in the condition of the unemployed would be effected if instead of the present chaotic and ill-supervised way in which private employment agencies are licensed by the municipalities, a centralized system of state licensing and inspection were substituted."—*Governor Roosevelt's Committee on Stabilization of Industry for the Prevention of Unemployment.*

Genealogy of the Job Seller

By GLENN A. BOWERS

Industrial Relations Counselors, Inc.

(Editor's Note: Private fee-charging employment agencies have always required careful state regulation. Even under constant supervision, this business has been peculiarly subject to abuses which exploit the helplessness of the unemployed. In the following extracts from an article in a recent issue of LAW AND LABOR, Mr. Bowers describes the evolution of the modern fee-charging employment agent from his early ancestor, the slave trader.)

SLAVE traders, agents for indentured servants, and labor contractors were the forerunners of present-day employment offices in the United States. Slave trade prevailed for nearly 250 years after its beginning in 1619; indentured service existed also from colonial days until it faded into labor contracting at the close of the Civil War. * * *

Congress, by an act of 1864, gave encouragement to contract labor immigration to overcome the labor shortage of that period. The fee for transportation and placement, however, could not by that late year exceed one year's service of the imported worker. Although this act was repealed in 1868, this type of immigration persisted until forbidden by Congress in 1885.

Meanwhile, the building of railroads across the continent and the establishment of new industrial centers from the Alleghanies to the western coast brought further demands for workers. Supplementing the westward migration of settlers from the Atlantic seaboard, the labor agent again served to mobilize the labor supply for the far flung industrial development which took place between 1840 and 1900. The service of bringing together workers and jobs was then performed by the labor agents and their youthful counterparts, private employment bureaus. * * *

It was in this early period of unrestricted enterprise that the private agency developed new unsocial practices. Extortionate charges were sometimes exacted for connecting workers with jobs. Applicants were sent to jobs which did not exist, payment for which had been previously made. Jobs were misrepresented so that workers were engaged for a type of work which they had not sought. One of the most serious of these practices was the sending

of women and girls, unaware, to places of questionable reputation. Employees were enticed from one job in order that a fee might be collected by placing them on another. Applicants' fees were split with foremen, making a high labor turnover profitable for both the agent and the plant official. Certainly not all private agencies engaged in all or any of these practices, but the abuses were sufficiently widespread to bring about the general adoption of laws prohibiting them. Unfortunately some of these evils exist today to add new life to historic causes for widespread antagonism to private agencies. * * *

In 1930, thirty-four states have legislation creating public employment offices, while all but six states have laws regulating commercial employment agencies.

They Do Not Want Charity

"**A**T this moment there are between four and six million in this country who cannot get jobs. By their labor in the past they have helped to make our country prosperous, they have helped to build our industries.

"Are they not today a legitimate charge upon their country and their industries and haven't they the right to demand the wherewithal to live until they can get back the jobs they lost through an inflation and depression which they did not cause?

"These self-respecting and hard-working American citizens do not want charity—which is the only thing that keeps many alive now. They want insurance, the same kind of insurance which their employer has in boom times when he sets aside part of the profits to tide him over hard times.

"Just as an industry, if efficiently managed, will provide protection against depression for the employer, so that industry can insure its own workers. That insurance can be provided at an exceedingly low cost and without injuring the industry."—*New York Telegram*.

"How to Tackle Unemployment"

UNDER the above title, in a pamphlet of 104 pages, and for sixpence, the British Liberal Committee—D. Lloyd George, the Marquess of Lothian and B. Seebohm Rowntree—made their report in October to the Government. The program is, of course, limited to Britain, and deals with agriculture as well as industry. In reference to unemployment insurance they urge the restoration of its insurance basis. The spirit of the report is: "We are facing a grave national emergency; but we are confident that this very emergency can be turned into a great opportunity to revivify our whole national life, if approached with the right energy, by means of the right methods, and in the right spirit."

Third Unemployment Survey¹

Initial Stages of the Depression—1930

A MAJOR business depression struck the country in the fall of 1929, bringing in its wake the most severe unemployment crisis that the nation has faced in many years. This depression has been of unusually long duration. Following a decline in business activity beginning in June and July, 1929, and a stock market crash in October, there was a general curtailment of production which threw hundreds of thousands out of work. A slight improvement in business conditions and employment in February and March of 1930 proved to be only temporary, and business recession continued. Since then the number of unemployed has steadily increased. We are entering a second winter of severe unemployment with workers' savings depleted and with widespread public concern over the suffering to come.

Unpreparedness

The country was unprepared to meet the emergency. There was no satisfactory machinery for the collection of periodic unemployment statistics; there was no adequate system of public employment offices; there were no financial reserves of real consequence with which to stage an emergency program of public works; there were no unemployment reserve funds by means of which dispossessed workers could retain some degree of self-respect and well-being. Yet all of these proposals had been before the country for many years.

These constructive measures were emphasized during the depression of 1914-15 but went unheeded when the crisis passed and prosperity reappeared. They were again agitated in 1920-21, and again ignored during the succeeding period. The President's Unemployment Conference of 1921, of which Herbert Hoover was chairman, advocated among other things a national system of public employment offices and reserves for public works. But nothing was done. Three bills introduced by Senator Robert F. Wagner of New York to provide for the collection of better employment statistics,

¹ Report prepared by Dr. Mabel L. Walker, of the staff of the American Association for Labor Legislation.

the establishment of public employment offices and the creation of public works reserves, were debated in the 71st Congress. When Congress adjourned in July, 1930, only the one relating to statistics had been enacted into law, and for this the appropriation item was later stricken from the budget.

The spasmodic nature of our interest in unemployment results in much lost motion. When suffering becomes widespread and general it forces our belated consideration, and all the old formulas and arguments are revived; but it is then too late to set up machinery to meet the existing situation. Every energy is thrown into the emergency relief program, and, when the crisis is past, apathy once more settles upon the public conscience. It is evident from repeated experiences of this nature that the only way out of this morass is to do constructive thinking and planning for future emergencies while the public interest is aroused.

It is, of course, impossible to forecast how long the present business slump will continue. This survey covers the depression up to December, 1930, but a complete picture cannot be obtained until the cycle has completed itself and business is once more on the upgrade.

The present study, which is comparable to the surveys of the depressions of 1914-15 and 1920-21 made by the American Association for Labor Legislation, is an attempt to indicate just what methods are now being used to mitigate the worst effects of the present unemployment crisis and to prevent similar catastrophes in the future. Questionnaires were sent to public officials, chambers of commerce, central labor unions and relief organizations in 150 cities. The 425 replies that were received indicate that, although there has been no radical change of mind concerning methods, there is an increasing awareness of the problem on the part of the general public, a more intelligent application of methods heretofore suggested and a determination to work out permanent safeguards rather than to be content with mere palliatives.

We must visualize unemployment as a cost to the community. Industry, government, charitable organizations and labor help to meet the charge, but the residual burden falls upon the jobless. When the best efforts of all four have been put forth—they are never sufficient to meet the cost—the unemployed must make up the deficit. Having limited financial resources which are quickly exhausted, they must pay through degradation of living standards, malnutrition resulting in disease, loss of morale, crime—even in some

cases through starvation and suicide. This degradation of working people results in an incalculable social loss.

Extent of Unemployment

No one knows how many unemployed there are in this country. Guesses range from 3,500,000 to 7,000,000. On April 1, 1930, the United States bureau of the census took a census of unemployment. Six classes of unemployed were recognized. They were as follows:

Class A. Persons out of a job, able to work, and looking for a job.

Class B. Persons having jobs but on layoff without pay, excluding those sick or voluntarily idle.

Class C. Persons out of a job and unable to work.

Class D. Persons having jobs, but idle on account of sickness or disability.

Class E. Persons out of a job and not looking for work.

Class F. Persons having jobs but voluntarily idle, without pay.

Class G. Persons having jobs and drawing pay, though not at work (on vacation, etc.).

Preliminary figures relating to Class A were announced on August 23. No other figures relating to unemployment have yet been released. While Classes C and E represent more or less static groups unaffected by the present slump and Classes D and F are not in any sense jobless, the size of Class B is of extreme significance in any study of the existing unemployment and cannot be left out of consideration. Indefinite layoffs, often lasting several weeks or months, which have taken place in so many of our industries represent a real hardship to the workers and in the case of the lowest wage groups may reduce them to desperate straits.

According to census figures announced on August 23, the total number of persons out of a job, able to work and looking for work on April 1, 1930, was 2,508,151. The non-appearance of the census figures for workers on layoff without pay leaves us without an accurate estimate of this group. A recent study made by *Editorial Research Reports* gives 1,000,000 as a "conservative prophecy of the total number of persons in this class." This would make a total of at least 3,500,000 unemployed on April 1, a figure which has been widely quoted even by government officials.

But unemployment has increased since that time. The employment index of the Federal bureau of labor statistics, which was 89.1 in April, has fallen every month since then and was 76.5 in

November. This represents a shrinkage of more than 14 per cent in employment in the industries covered.

The American Federation of Labor index of unemployment in trade unions likewise shows an increase of unemployment, although not to such a marked extent. Twenty-one per cent. of the union members in all trades were unemployed in March and April. This figure rose to 22 in August, dropped back to 21 in September and October, but again rose to 22 in November. President Green of the American Federation of Labor on December 3 estimated that in November there were 4,860,000 industrial workers unemployed.

The burden of unemployment is not uniformly distributed throughout the country. Some communities are suffering heavily; others are only slightly affected. Federal census reports, which, it must be remembered, have thus far not included workers laid off or on part time, show that in April Michigan, New Jersey, Illinois, Rhode Island, California, New York, Nevada, Ohio, Oregon and Massachusetts had the highest percentages of unemployment, ranging from 8.2 to 6.1 per cent of the estimated total number of workers in those states. Mississippi, South Dakota, South Carolina and Arkansas had the lowest ratios of jobless, the range here being from 1.3 to 1.9 per cent.

Among the cities, Duluth and Detroit showed the highest rate of unemployment; and relatively high percentages were found for Miami, Newark, Camden, Lowell, Cleveland, Indianapolis, Portland (Ore.), Chicago, Tampa, Jersey City, and Toledo. The cities showing the lowest percentages of unemployment were Nashville, Memphis, Oklahoma City, Peoria, El Paso, Des Moines, Washington, Wilmington (Del.), Reading, and Wichita.

Colonel Arthur Woods, Director of the President's Emergency Committee for Employment has requested the Metropolitan Life Insurance Company to conduct an unemployment survey as a "sample of the average situation."

"Following the suggestion of Colonel Woods," Mr. Ecker, president of the company, said, "the survey is limited to about forty widely distributed key cities. The men will report on unemployment conditions in a specified number of homes at which they will regularly call on Monday, December 8. This is the same procedure that has been followed in the past, particularly in 1915, when a similar survey covered 400,000 families.

"Within a few weeks a reliable report as to the amount of total unemployment and part-time employment that existed in the country on the date of the survey should be made. Shortly afterward a more detailed tabulation



—Olean (N. Y.) Herald

"Why Have We No Jobs?"

Prosperous Uncle Sam is face to face with a question which cannot be answered by charity doles. Permanent measures for prevention, with insurance against the contingency of unemployment, must be substituted for present short-sighted relief policies which degrade the unemployed and produce no enduringly constructive results.

will be furnished showing age, sex, color, industry and occupation of those out of work."

It is unfortunate that in this country the Federal government finds it necessary to rely upon private sources for unemployment statistics which other leading countries collect regularly through permanent public agencies.

Comparison with Previous Depressions

Replies to questionnaires sent to **mayors and city managers** indicated that with few exceptions they considered that the unemployment in their communities was greater and that there was more apparent distress than in either the depression of 1914-15 or that of 1920-21:

"More unemployment than ever before." (Shreveport)

"Believe the situation to be more acute. This is indicated from the amount of expenditures for public welfare and distress that has been apparent." (Cambridge)

"The depression and distress caused by the same during the years 1914-15 and 1920-21 cannot be compared with the distress of 1930." (Fall River)

"Have no records of the unemployment in previous years, but judging from what we have it is worse now than it has been since Cleveland's time." (Northampton)

"There is undoubtedly more unemployment and consequent distress than there was during the depressions of 1920-21 and 1914-15." (Trenton)

"In my opinion the depression is more serious in this section than during the periods of 1914-15 and 1920-21 for the reason that it includes also city and country at present, while during the past periods mentioned above it was mostly confined to the city." (Oklahoma City)

"The present depression is at least twice as great as the depression of 1914-15 and 1920-21." (Allentown)

"Much worse than either. Distress very acute." (Knoxville)

"While Milwaukee has been less affected than other cities, the business depression has made itself felt more than at any time since 1914-15 when several soup kitchens had to be conducted to feed the unemployed. Last winter we again conducted a centrally located free dining hall, where 59,000 meals were served." (Milwaukee)

"Would say that unemployment is about 10% more now than in the years 1914-15 or 1920-1921." (Denver)

Bridgeport considered the present situation "equally as serious as other unemployment periods but city is coping with situation in such an effective manner that dire cases of poverty fail to ensue." The situation in Bethlehem was reported as no worse than it was during 1914-15. Toledo reported more unemployment, but no more distress. Boston reported "unemployment no greater than in years referred to but due to cash and carry system credit for necessities is no longer possible." Norfolk felt that it had not been confronted

with any unusual unemployment. The present depression was not considered as great as those of the two previous periods in Pueblo, Danbury and New Haven. Sioux City considered itself better off than in 1920-21. The city manager of Wichita said, "We are not suffering and could take care of the situation nicely were it not for outsiders coming in for work."

Although most of the **governors or other state officials** who replied to the questionnaires felt unable to compare conditions now with those existing in the other depressions, a few replies were received:

"Unemployment, I believe, is fully as bad, and in some industries much worse than during the depressions mentioned above." (Utah)

"It is unquestionably worse than it was in 1914-15 and it is as bad as it was in 1920-21. There has been more distress this year and there will be more distress next winter than there was in 1920-21 because there has been much more technological unemployment during the past few years than there was before the 1920-21 collapse." (Wisconsin)

"Unemployment greater according to factory index. Do not believe distress will be so great because of wide-spread public interest." (New York)

"I do not believe that conditions in this state are any worse than they were during the depression of 1920-21." (Nevada)

"Unemployment not as general nor resultant distress as severe * * * as during depression of 1914-15 and 1920-21." (Maine)

Many **relief organizations** were unable to say whether the unemployment of this year had made as great demands upon them as the crises of 1914-15 and 1920-21. The majority of those who felt able to reply to this question, however, considered that it was much greater. The Family Welfare Society of Providence and the University of Chicago Settlement were the only two organizations reporting that demands upon them had not been as great during the current depression. Replies from organizations in 28 other cities indicated that the resultant distress was as great as or greater than formerly:

"Relief is higher than ever before," was the report from the Provident Association in St. Louis.

"We have the largest case load in our history. We have expended the largest amount of relief—nearly 50 per cent of which has been due to unemployment," said the General Secretary of the Yonkers Charity Organization Society.

Some of the principal factors contributing to the exceptional amount of distress resulting from the present unemployment, according to replies received, are the tendency to discriminate against the older worker, increasing technological unemployment, the long duration of the depression, and inability to relieve the situation by finding

employment for children. In New Bedford the distress was considered to be greater "because it comes after years of part time employment." In Grand Rapids it was more acute "because many of these families were buying radios, automobiles, electric appliances, etc., upon the installment plan and did not have the rainy day reserve that existed before."

The relief organizations were unanimous in emphasizing that the jobless had used up all of their savings before applying for aid. "It is currently believed many families in community as well as many A. C. W. clients are living on savings intended for old age," said the General Secretary of the Association for Community Welfare in Fall River.

A vivid picture of the situation in Detroit is found in the following quotation from a settlement worker in that city:

"But we run up against the unemployment problem at every turn:—men out of work for months, wife forced to get a job, 'will we take the small children into the nursery?' Neighbors coming in to ask us to help them get jobs—'anything, anything.' And the hundreds of requests for clothing, milk, 'food till the Welfare Dept. comes to investigate us. . . We can't get anything until they do.' And all the people who arrive here at noon Saturday—when the legitimate sources of relief are closed for the day:—(was it intentional, this arriving just at noon on Saturday?) . . . And so on, ad infinitum.

"The lack of employment has just knocked the bottom out of things . . . family morale has been destroyed, I think, in many cases:—families that used to get along have simply disintegrated and taken to drink and begging . . . it is almost the worst feature of the situation . . . Then again, there are the 'hardy perennials' who come to us for petty relief; who, to our certain knowledge, don't work *at any time*, but make use of the present situation to urge their *inability* to get work—which of course is true. And there you are!"

Not only were savings exhausted but insurance policies were cashed in, furniture was sold, jewelry pawned and homes mortgaged. All too often the latter were lost as a result. Where possible, wives and children were put to work, but it was just as difficult for them to find employment as for the men. In many cases families had to be broken up by placing children in child-caring institutions. The number of children in such institutions in New York City on November 8 was 12 per cent greater than at the beginning of the year. The increase was expected to continue. Likewise, the number of foundlings in New York City has also grown rapidly. The department of welfare reported 866 foundlings in the city for the whole of last year and 548 for the first six months of this year.

The number of eviction actions in New York City from January to September this year was 13,300 against 10,411 for the entire year of 1929. Tuberculosis is also on the increase. During the first six months of 1930, the total number of new admissions to clinics was 12,180, an increase of 1,603 or 15 per cent as compared with the first six months of 1929. These statistics relate to New York City, but information from other cities indicates that the same distressing results are taking place in other communities.

There has been a substantial increase in the number of mental patients in insane asylums. "Unemployment and worry over economic circumstances are helping to break down mental stability," said the Governor of New York, after a visit to the state asylums.

Crime—An Aftermath of Unemployment

"When men who are willing and able to work and who want to work are unable to obtain work, we need not be surprised if they steal before they starve," said President Willard of the Baltimore and Ohio Railroad to a Senate committee in 1928. According to statistics collected by the bureau of investigation of the Federal department of justice that is exactly what is happening at the present time.

The daily average of crimes committed against property in 58 cities throughout the country has steadily increased every month since April. In May it was 605.3; in June, 626.2; in July, 632.7; in August, 661.1; in September, 687.2 and in October, it shot up to 727.3. The crimes included are robbery, burglary, larceny over \$50 and larceny under \$50, and auto theft. As might be expected petty larceny shows the most amazing increase. The daily average for January was 198.6. It dropped to 193.5 in February but has risen steadily since that time and by October it had mounted to 283.2. Although comparable statistics are not available for all of the other cities of the country it is probable that this trend is typical of the general crime movement in this country.

The Commissioner of Correction of New York City made the following statement in September:

"We are running over 6,000 prisoners a day, the largest number since 1914, and they probably will increase to 7,000 a day before the winter is over." Over 800 men have been crowded in cells designed for 446. An official of the National Prison Emergency Committee recently said in discussing the prison situation in the Eastern and Southern states: "Prison officials agree that while the prisons were overcrowded, in some cases to two or three times

their designed capacity last year, there is every reason to believe that we are now facing an unparalleled situation."

Spreading Work

One of the most widely advocated methods by which industry has sought to reduce the amount of destitution due to unemployment is the spreading of available work over the largest possible number of workers. This idea is not new to the present depression. It was followed to some extent in the crisis of 1914-15 and also during 1920-21. It does seem, however, to have been more generally applied during the past year than at any preceding time. "This is a neighborly and practical scheme for passing the hard luck around," says the *Cleveland Plain Dealer*. "Instead of a comparatively small group suffering bitterly through lack of work, all will tighten their belts a bit."

Spreading the work may be done by shortening the working day or the working week or by "staggering" employment, that is, by rotating or shifting the workers. Both methods were widely used during the present depression, but they were by no means universally adopted. Replies received from chamber of commerce executives in 26 different cities indicated that the short day or short week was used by some of the employers in 18 of the cities. Likewise the stagger system was used to some extent in 14 cities. Twenty-six out of 34 public employment offices replying on this subject stated that the system of rotating workers had been adopted by some of the local plants. Twenty-seven reported part time in some of the local concerns.

Questionnaires returned to the American Association for Labor Legislation indicate that a few employers are attempting to increase the amount of work available, in some instances by manufacturing for stock, but more often by making plant repairs. Six chambers of commerce reported that side lines were being built up by companies in their cities. The five day week with regular pay was reported to have been adopted by companies in two cities. It is evident, however, that permanent methods of stabilizing employment have thus far made small headway among the great majority of American employers.

Wage Reductions

There has been an effort to maintain existing wage levels in spite of the depression. This policy has been strengthened by

a common belief that it would prevent a more serious depression and hasten the return of prosperity. Wide publicity was given to this doctrine by an announcement issued by President Hoover at the close of his conference with industrial and business leaders held in Washington on November 21, in which he stated that the employers in attendance had agreed not to initiate a wage-reduction movement. This position has since been reiterated by business leaders and others until wage-cutting has come to be generally regarded as opposed to the interests not only of wage earners but also of business.

A great deal of wage cutting has nevertheless taken place. Twelve replies were received to this question from chamber of commerce officials. Seven stated that wages had been cut by the industries in their cities, but some of them explained it had been done by only a few of the smaller firms.

Labor unions were much more emphatic on the subject. Thirteen out of nineteen central unions replying to this question said that wages had been reduced. Another said "wages not reduced generally, but speeding up general." A good deal of the wage cutting seemed to be by small firms and among unorganized workers. In Flint, however, all the General Motors plants reduced wages and about 40,000 workers were affected. In Nashville there was a "well recognized reduction in all plants at this time except one manufacturing men's work clothes." In Toledo about 20,000 workers were affected by wage cuts.

Figures published by the Federal bureau of labor statistics show that since January 1 there have been wage decreases in 606 manufacturing establishments reporting to the bureau as against 112 wage increases. The discrepancy has become much more marked within the last few months. In July there were 117 decreases and seven increases; in August, 133 decreases and no increases; in September, 87 decreases and six increases.

According to the American Federation of Labor in its "Monthly Survey of Business" for September, wage cutting began immediately following the business recession of 1924 and the fact that it has been delayed in the present situation indicates a changed attitude on the part of business leaders. "This shows that there has been a widespread appreciation of the necessity of high wages to create purchasing power. The number of employees affected by wage cuts has been very much smaller this year than in 1924. Even though the depression of 1929 has been worse than in 1924, manufacturers

have been less influenced by the fallacy that wage reductions would solve their problems. They did not immediately cut wages."

Public Employment Offices

The public employment service in this country was inadequate to meet the situation created by the depression. Appropriations made by the states for the maintenance of state offices were insufficient.

"Practically all offices are undermanned and many are inadequately housed in undesirable locations. Many of the offices of the co-operating service are unable to give proper attention to higher class placements by reason of the lack of facilities," said the director general of the Federal employment service in his report for 1930. "Some states," he added, "instead of making progress, have lost ground and some have ceased to function owing to the legislatures of their respective states failing to make appropriations to maintain the same."

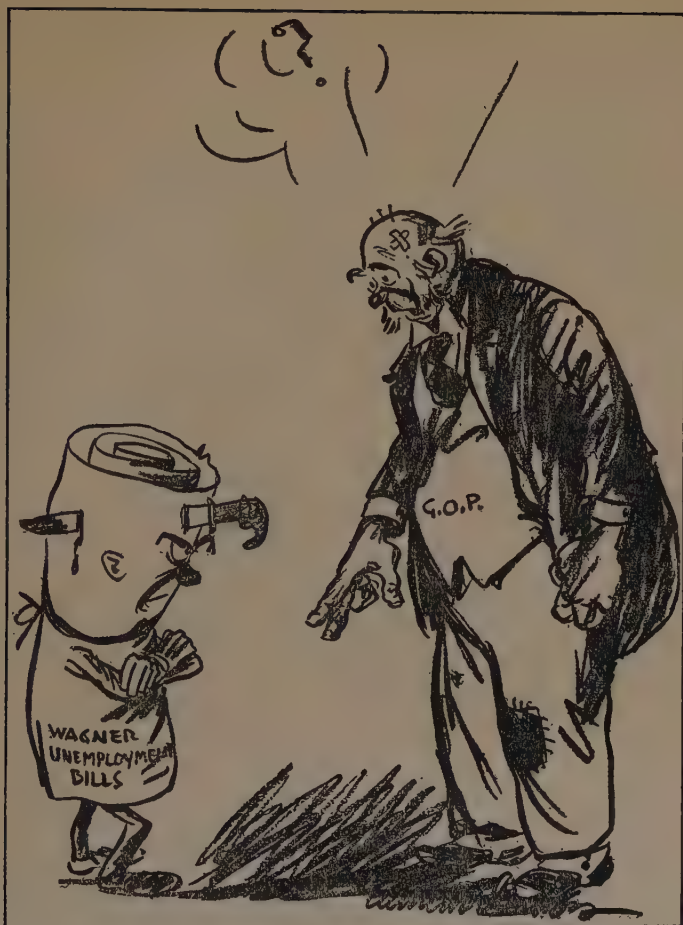
Fifty per cent of the local offices replying to the questionnaire sent out in this survey reported that the work of the office had been expanded during the present emergency. Atlanta, Cincinnati, Cleveland and Providence reported that additional appropriations had been made. Volunteer help was utilized by some offices. In some cases branch offices were opened or staff additions were made. Harrisburg reported that its staff worked on holidays when necessary and gave other extra time to applicants and employees outside of office hours.

Extensive publicity and more intensive solicitation of employers were reported by some cities. Catalogs listing applicants' qualifications, personal letters, broadcasting, and newspaper articles were some of the most popular devices used.

Practically all of the offices report cooperation with other non-fee-charging agencies. In several places a clearance system was maintained with other free offices whether public or charitable. Salt Lake City reports "friendly relations with the other employment offices both free and commercial, and there is reference of applicants' or employers' calls to or from this office when practicable."

Various methods were followed in soliciting the cooperation of employers. Personal visits, letters, circulars, telephone calls, press stories, radio publicity, bulletins and addresses, were some of the principal devices employed.

The following extract from a letter received from Flint illustrates the intensive nature of some of this publicity. "This office, cooperating with the chamber of commerce, and city officials, has been conducting an intensive



—Baltimore Evening Sun

"Back from the Grave."

The Wagner bills, to provide advance planning of public works (S.3059) and an adequate and permanent federal-state public employment service (S.3060), were held up by the House at Washington last June. The public works bill was sent back to the Senate in badly amended form, and the employment service bill, although reported favorably with amendments by committee, was not brought to a vote. The *Baltimore Evening Sun* points out that, with unemployment in the fore-front of public discussion, these important bills cannot be neglected at the short session of Congress.

campaign, trying to get jobs for the unemployed. With the assistance of the press, radio talks, given one night each week over our local station, letters to all civic, social and charitable organizations, a speaker before all of these clubs, and billboard advertising, asking for a job, for one hour, one day, one week, or any length of time. We have also asked through the press, the pulpits and other means that persons out of work come to this office and register, thereby giving us a more complete checkup on the unemployed."

At the same time that the offices were working to secure the increased cooperation of the employers and to stimulate the offer of jobs, they were trying to make the placement work more effective.

Some typical statements on this point are as follows: "More than usual care has been taken in selecting applicants in order that they may fit and keep the positions," (Salt Lake City); "Great care in placement and follow-ups," (Denver); "Organization meetings," (Chicago); "Keeping check on workers placed," (Moline); "Look up all references," (St. Louis); "We use record system inaugurated by our office which keeps a record of every placement," (Akron); "More careful interviews to determine need as well as qualifications," (Cleveland); "Closer discriminating of type of men sent to employers," (Harrisburg); "Staff meetings with workers; development of a manual of technique and better training of new workers," (New York).

Responses from the public employment offices indicated that the attitude of employers was almost invariably favorable toward these offices. Replies ranged from "good" and "very good" to "splendid," "excellent," and "exceptionally fine." Of 43 answers to this question only one or two indicated a lack of cooperation on the part of employers. One city reported that there had been some feeling on the part of the employers' association that the office was a protégé of the American Federation of Labor, but that this was rapidly dying out. "Formerly adverse, now sympathetic," was the reply from another city.

Chamber of commerce replies likewise indicated increasing reliance on the public offices on the part of business leaders.

In Oakland the state free employment department, and the East Bay Industrial Association "are making approximately 70 per cent of the placements, and are doing this work very satisfactorily." Other replies to the question concerning experience with public employment offices were "very good," (Wilmington); "Experience satisfactory. Office served as clearing house and local point for placement," (Evansville); "They are a help at all times," (Superior); "Have done the best they could but they cannot create jobs," (Grand Rapids); "Not adequate to cope with the situation," (Manchester). "They were alive to their increased responsibility," was the verdict from the Buffalo chamber of commerce.

In spite, however, of the increasing reliance of business and industry upon the public offices, they were scarcely used at all by

the cities in employing labor, according to reports from departments of public works. Of 22 cities replying to this question, only four were making use of the public employment offices when hiring labor for construction projects. The chief reason given for this neglect was there was no necessity to use them as the jobless "came in hordes." At New Haven "about 400 applicants applied at the office (of the department of public works) for work each week." In some cases all work was done under contract. Charlotte, N. C., preferred to get its workers from the Associated Charities as they were most familiar with the needy.

Discrimination against the older worker is a distressing feature of the present unemployment situation. Thirty out of 43 public employment offices and 40 out of 44 relief agencies had noticed an increasing tendency on the part of employers to discriminate against the older workers in industry. Many of them were emphatic in their replies. However, an encouraging note was sounded by the Erie employment office which has found that the rule against employing men over 45 and 50 was not so strictly enforced during 1930 as in 1929 and believes that local employers are looking at the problem in a more broad-minded way. Labor unions were almost unanimous in reporting discrimination against older workers. Many of the public employment offices were giving special attention to the needs of such workers.

Reports of abuses practised by fee-charging employment agencies were received from chambers of commerce, relief agencies, labor unions, and public employment offices. The most common complaints charged that these agencies were demanding exorbitant fees, misrepresenting jobs, and sending workers to fake jobs. Charging registration fees and encouraging workers to change jobs so that the agencies might collect additional fees, were also among the abuses reported. "Work and conditions in such times do not warrant unemployed to pay a fee—these agents cannot serve public to best advantage," wrote the secretary of one chamber of commerce.

Public Works

The use of public works as a means of taking up some of the economic slack has been widely urged during the present depression. Following the stock market crash of October, 1929, President Hoover appealed to the 48 governors and through them to the local governments for the speeding up of "road, street, public

building and other construction of this type." At the same time he promised that the "Federal government will exert itself to the utmost within its own province." The state and local governments pledged their hearty cooperation and attempted to push through such construction projects as were possible.

It is difficult to estimate to what extent public works have actually been inaugurated or speeded up to offset the effects of the depression. Although an unusual amount of publicity has been given to projects under way, it must be remembered that a large proportion of this work would have been undertaken under normal conditions. It is only when we can subtract from the total mass of public construction those projects which would ordinarily have been carried out that we can gauge the extent to which public works have been used as a stabilizer during the present depression.

For the three years 1927, 1928 and 1929, a yearly average of approximately \$3,500,000,000 was expended on public construction in the United States, according to the report by the President's Committee on Recent Economic Changes on the "Planning and Control of Public Works." This represents from 35 to 40 per cent of the total expenditures for all private and public constructions. No estimate of the total amount of such expenditures in 1930 is available. Colonel Arthur Woods, chairman of the President's Emergency Committee for Employment, has estimated that during the first six months of the year contracts let for public works and public utilities by Federal, state, and local governments and by the privately owned utility corporations showed an increase of more than \$400,000,000 over the corresponding period for 1929.

Of twenty-two governors replying to the questionnaire, sixteen reported that their states had increased their building programs because of the depression. These states were Arkansas, Idaho, Iowa, Kansas, Maine, Nevada, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Virginia, Wisconsin, and Wyoming. The largest item in these construction programs was road building.

Rhode Island doubled its road construction for the year, which meant an increase in expenditures of approximately \$2,500,000. South Carolina has just started a highway building program of \$65,000,000. Kansas is carrying out a larger road construction program than ever before in the history of the state, amounting to \$2,000,000 more than was previously planned. The State of Iowa is also carrying on an extensive road building program.

Governor Cooper of Ohio adopted a particularly aggressive attitude with respect to public works. Contracts let in the Ohio highway department for the first six months of 1930 were over \$21,000,000 as compared with approximately \$6,000,000 and \$12,000,000 for corresponding months in 1929 and 1928. Contracts let in the department of public works during a similar period were \$1,658,997 for 1930 as contrasted with \$422,635 for 1929 and \$689,343 for 1928.

Pennsylvania reports "an unparalleled program of construction of state office buildings, institutions and roads." The state's construction program for the fiscal biennium ending May 31, 1931, involves a total expenditure of more than \$155,000,000.

Thirty-four out of 35 mayors replying stated that public work had been undertaken or speeded up in their cities to offset the depression.

Danbury increased its public construction fourfold. In Boston \$5,000,000 was spent on public works from May to October. In Hartford, \$4,000,000 worth of projects have been either contracted for or are ready for contract. In Toledo, a high school was built one year earlier than planned. Buffalo is also staging an ambitious program of public works. Allentown reported that its public works construction was three times as great as ever attempted before. Milwaukee stated that some activities had been doubled. Flint and Minneapolis were pushing public construction as intensely as finances would permit. The "city's financial condition prevented any volume of public works" in Fall River.

Replies from departments of public works in 55 cities were not so encouraging, indicating that only 26 had moved forward their construction programs. Only six of these cities reported that new work had been started to furnish relief from unemployment.

The work undertaken for relief purposes included sewer work amounting to \$10,454 in Duluth; snow removal \$55,000 in St. Paul; about one-third of a building program amounting to more than \$2,000,000 in Niagara Falls; drainage, \$3,000,000, and airport, \$1,000,000, in Birmingham; clearing river banks of brush and weeds, \$10,000, in Fort Wayne; sewer construction, \$215,000, paving, \$210,000, and miscellaneous, \$25,000, in Flint. Harrisburg did not speed up any public works but stated that the "normal work was maintained." Charleston, South Carolina, reported the "work scheduled for this year kept going and not curtailed."

Replies from relief organizations concerning the extent of additional public works were even less encouraging. Responses were received from agencies in 75 different cities. In only 15 cities were these agencies aware of any work that had been either started or moved forward in order to furnish relief for unemployment. The following are typical replies: "None this far;" "Not yet but may be soon;" "Many planned but none put into operation yet;" "Very little, alas!" "None. Expected street work tied up by litigation;" "None that we know of;" "None so far as I can learn."

In only one or two cases did the projects reported by municipal public works departments afford employment to as many as 500 workers daily. Some gave employment to less than 50. Twenty-two of 30 departments of public works attempted to maintain the usual standards of efficiency in this work. In other cities labor on

these projects was considered from five to ten per cent less efficient than in the regular undertakings.

The regular rate of wages was maintained in practically every instance. There were one or two exceptions, apparently in the case of "made" work.

For example, in Dayton, Ohio, "applicants for relief are investigated by the Family Welfare Association and if found worthy, the applicant is given an order for one or more days' work, depending upon how much he is in need of this assistance. Payment is made in the form of an order for groceries on the basis of an eight-hour day at forty-five cents per hour. No worker is ever paid in cash, the groceries being the only method of obtaining relief and only staple groceries are given out."

The regular number of hours was, likewise, generally maintained on these projects, but there was considerable rotation of workers.

In New Haven there was "direct hiring every other week." In Moline, Lawrence and Akron labor was employed on two week shifts. In Fort Wayne and Niagara Falls workers were allowed three days of employment per week. In St Paul they worked on two to eight hour shifts. In Dayton they were allowed one to three days' work at a time. Half day shifts were used in Grand Rapids. In Duluth men were selected according to their needs for five days' service in the parks.

The basis of selecting applicants varied. Everywhere there were so many applicants for every job that the city could set up its own standards of selection. The results are interesting.

Twenty-two out of 29 cities emphasized local residence and 19 made it the chief requirement. Sixteen gave married men preference, four making it the first consideration. There were six cities that took account of citizenship and two that made it the primary basis of selection. In two cities the age of the workers was given some consideration. Five cities recognized efficiency as a qualification and in one place that was the main thing to be taken into account. One city selected its workers according to civil service regulations. In two places need was the chief consideration.

It is not surprising that some of the replies to the question concerning the success of such public works employment should be: "To help needy—yes. For economy—no." "Not from the standpoint of efficiency." "No."

One city engineer complains that the greatest obstacle to the use of public works as a device for relieving unemployment is "the condition that the city has to do it, and all that is necessary is to be on job and loaf. The larger the family the more shiftless. Twenty-five per cent of all men try to do a fair day's work." For the most part, however, the departments of public works seemed to think the plans successful from the standpoint of relief.

In Birmingham, the one city reporting that it made efficiency the chief consideration and considered marriage and local residence as sundry factors, the reply was encouraging: "Yes. Materials cost lower and more efficient services obtained." Other replies were: "Yes—for intended purpose. Better than a soup house or bread line," (Fort Wayne). "Yes. It gave the men employment at a time when work was very scarce and resulted in forwarding a much needed sewer construction," (Cambridge). "Yes, if properly managed. Costs and results should compare favorably with contract plan," (Grand Rapids). "Yes. Help given to most needy in slack period," (Duluth). "Yes. Because it relieves men from being dependent upon charity when they are able to make a living," (Niagara Falls). "It helps," (Troy).

The chief obstacle to the use of additional public works as a device for alleviating unemployment is naturally financial. A number of cities finance public improvements almost entirely by means of special assessments against property owners. In some cases this has to be initiated by petition of the property owners affected. These taxpayers, some of whom may themselves be out of work, will not authorize such projects. The cities of Los Angeles, Denver, Flint, Duluth, Bayonne, Troy, Akron, Portland (Ore.), and Harrisburg all complained of the handicap arising from special assessments. On the other hand, if financing is to be done by means of bond issues the necessary procedure is ordinarily too lengthy to permit this method to be useful in an emergency. In many places a bond issue must be approved by the state legislature, the city council and public referendum.

An illuminating letter on this subject was received from the city engineer of Des Moines. "During these times of unemployment of property owners, every pressure is brought upon the city council to reduce personal and property taxes and to eliminate special assessments. Working to this end the city council has cut appropriations to a minimum, has pledged itself against bond issues, and has reduced public works projects payable by special assessments to those actually necessary for the health and convenience of the citizens. Naturally cutting every municipal expense to a minimum and spending large sums for public improvements do not go hand in hand."

Only four out of 55 cities reported that any efforts had been made to reserve necessary improvements for bad seasons or bad years. In Salt Lake City and Duluth some of the sewer jobs were reserved to take care of seasonal depression. In Charlotte trees cut on public property are stored to be split and cut up by charity applicants. Provision for reserving sewer construction had been made in Flint.

Apparently, Yonkers was the only one of 55 cities that had anything approaching a reserve fund which might be used in starting

emergency work when needed. This city had an emergency reserve of \$2,000,000 maintained until about a year ago. This reserve was reduced to \$1,000,000 by pushing public works during the present depression but it was felt that it should not be further depleted.

A vivid description of the actual drawbacks to the use of public works as a stabilizing program is found in a recent editorial of the *Baltimore Evening Sun*. "First, some one has an idea; then it is necessary to persuade the politicians in power to adopt the idea, which usually involves long and tedious jockeying; then the voters must vote upon a loan; then a site must be chosen, involving more jockeying and probably a lot of dubious trading; then a design must be adopted; then blueprints must be prepared; then the property must be acquired, probably by condemnation proceedings, which may drag through the courts for months or years; then the contract must be let, with another opportunity for delays, legitimate and illegitimate; and only after all this may actual work begin."

The lack of comprehensive city planning constitutes a real difficulty in the acceleration of public works. When cities exercise sufficient foresight to work out long time building programs it should be much more possible to speed up construction during an emergency.

Unemployment Commissions

A distinctive feature of the present unemployment situation is the unusual number of unemployment commissions—federal, state and local—which have sprung up all over the country like mushrooms.

In November, 1929, following the stock market crash, President Hoover called a number of conferences with important business leaders and public officials to bring about "concerted action for continued business progress." Separate conferences were held with railway executives, industrial and business leaders, labor representatives, leaders of the construction industry, representatives of four national agricultural organizations, and public utility officials.

The railway representatives promised to cooperate in maintaining employment and business progress, and to consider possibilities of expansion. The industrial and business leaders agreed that there was no reason why business should not be carried on as usual and pledged themselves not to initiate a wage reduction movement. They also agreed to act as a temporary advisory committee with the secretary of commerce, who was authorized to add to the committee. Julius Barnes, Chairman of the Chamber of Commerce of the United States, was asked to create an executive committee

from members of this group and the various trade organizations who could assist in the expansion of construction and the maintenance of employment. The labor representatives authorized the President to state that they strongly recommended that "no movements beyond those already in negotiation should be initiated for increase of wages and that every cooperation should be given by labor to industry in the handling of its problems." Leaders of the construction industry pledged themselves to cooperation by initiating "such building programs as may be launched without dislocating conditions within the industry." The public utility officials promised increased expenditures on their properties.

On October 17, 1930, President Hoover announced that he had asked six members of his cabinet and the chairman of the Federal Reserve Board to constitute a cabinet committee on the unemployment situation. On October 21, he appointed Colonel Arthur Woods as director of unemployment relief for the President's Emergency Committee for Employment, which was created to co-ordinate the activities of local and state agencies in carrying out emergency relief. Regional directors, technicians, and supervisors for special aspects of the committees' work, were appointed by Colonel Woods.

State unemployment commissions have been established in Arizona, California, Illinois, Indiana, Kentucky, Massachusetts, Michigan, Mississippi, Minnesota, New Jersey, New York, Ohio, Tennessee, Vermont, Virginia, West Virginia and Wisconsin. Governor-elect Pinchot of Pennsylvania has also appointed a commission for that state. Conferences on unemployment have been held in a number of states, including Illinois, Indiana, North Carolina, South Carolina, and Tennessee. Governor Roosevelt of New York has invited the governors of Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, and Ohio to participate in a round table conference on unemployment at Albany in late January.

More than 100 municipal committees on unemployment have been created since the beginning of the present depression. They range in importance from those which are merely casual gestures on the part of the administration to those which represent a concerted community effort. Most of them are of an undoubtedly sporadic nature, designed chiefly for emergency relief. A few, however, are attempting to work out permanent programs of stabilization.

The Cincinnati Permanent Committee on Stabilizing Employment was a pioneer among these committees. It was appointed by City Manager C. O. Sherrill early in 1929, several months prior to the business slump, and included in its membership men "widely representative of the business, governmental and social service forces of the community." It was designed "to study the problem of employment stabilization and to create machinery to handle an unemployment emergency should one arise." Various sub-committees were appointed, the work of the entire group being coordinated through the department of public welfare.

The fact finding sub-committee discovered in the latter part of September and October 1929 that there was a decline in employment among certain industries of Cincinnati. The sub-committee on continuous employment "worked to secure the acceptance by industry of the principle of providing work for as many as possible at reduced hours or by a plan of staggering employment so that it would not be necessary to lay off such a large percentage of their men. This principle was adopted by many concerns in Cincinnati." Public works were urged, with the result that more was accomplished in this line than had ever been done in any previous winter. The sub-committee on temporary employment was able to secure a large number of temporary jobs. An industrial relief program was also set up which provided necessary but non-competitive labor in public and semi-public institutions on useful and necessary work. This was financed largely by the department of public welfare with the help of the community chest. Work was provided for more than 500 men in this way. The sub-committee on cooperation with social agencies received calls from the unemployed, sorted out those who were able to be cared for under the industrial relief plan, and referred to the social agencies those whose problem was the need of charitable relief. A sub-committee on transients "kept close touch with the drifters or transients coming into Cincinnati, and was able to inform them on employment conditions here and by special treatment handle their cases as a separate problem from the general unemployment issue facing the community."

It is felt that the activities of this committee have considerably reduced the seriousness of the present unemployment situation in Cincinnati.

Other municipal committees which have been particularly interested in a program of stabilization include the Indianapolis Commission for Stabilization of Employment, Baltimore Employment Stabilization Commission, Dayton Committee on Stabilization of Employment, and Rochester Civic Committee on Unemployment.

The Mayor's Unemployment Committee of Detroit is an interesting example of a committee organized to deal with the emergency unemployment problem. It has conducted a registration of the unemployed, established an employment bureau which cooperates with existing free employment bureaus, and has dealt with more than 13,000 applications for relief. It has also emphasized the creation of temporary jobs, the expansion of public works and the regularization of employment.

In several cities the initiative in forming unemployment committees has been taken by the local chamber of commerce rather than by the city government. The Industrial Relations Committee of the Philadelphia chamber of commerce was concerned with the unemployment problem before the depression set in, and had a subcommittee on employment working for the regularization of employment and the decrease of unemployment.

This movement in the direction of a multiplicity of unemployment commissions has been encouraged by the American Federation of Labor. In the program adopted at its annual convention at Boston in November, 1930, it recommended that the executive council be instructed to "request the President to immediately appoint a national committee to recommend measures for immediate relief"; that the state federations of labor "request the governors of their respective states to appoint state committees to cooperate with the national committee * * * and to initiate recommendations within their respective states"; and that the affiliated central bodies "urge the mayors or similar officials of their respective cities to immediately appoint city committees to cooperate with the state and national committees * * * and to initiate relief programs within their respective cities." Similar committees were also advocated for communities in which there are no affiliated central labor organizations through which to act and in the territories of Alaska, Hawaii and Porto Rico.

The Dole System in Action

In spite of all the efforts put forth by business to stabilize industry and to spread employment, and in spite of all attempts made by Federal, state and local governments to speed up public works and to create emergency employment, several million people are still entirely without jobs and the number is growing. Their resources are pathetically meager and when these are exhausted they must turn to charity. Can charity meet the strain?

Statistics collected by the Russell Sage Foundation show that during the ten months from December, 1929, to September, 1930, inclusive, approximately \$40,000,000 was expended by public and private agencies in 79 cities in charitable relief.

In August the following statement appeared in the Relief Bulletin issued by the Foundation: "Relief operations appear to have been at a higher level during the past summer than in the summer of any previous year. Although there was a seasonal decline from the high winter peak which was reached in March, in most cities the relief burden is now much heavier than a year ago, notwithstanding the fact that during the summer many large agencies have been following a policy of drastic limitation of relief cases. The fall season, thus, starts with an exceptionally heavy relief load, which even under favorable economic conditions would be expected to increase continuously during the

next five or six months." The September Bulletin announced that, "Notwithstanding the fact that the volume of outdoor relief usually reaches a low point for the year at the end of the summer, relief operations in September, 1930, took a sharp and unseasonable upturn following a slight rise already noted in August."

Two hundred and twenty community chest campaigns with a combined goal of \$55,000,000 were conducted throughout the country this fall. Forty cities have already reached their goal and it is generally expected that the majority of the others will be successful even though in many cases the quotas are much larger than usual. The executive director of the Association of Community Chests and Councils estimates that the total amount raised for community chests will exceed by \$5,000,000 that raised for last year. Predictions are being made, however, that these budgets will not meet the needs and that supplementary campaigns will have to be conducted later.

Probably the most spectacular relief program in the country is being staged in New York City. A group of Wall Street financiers have formed an Emergency Employment Committee of One Hundred, composed of industrialists, financiers and civic representatives who are trying to raise \$8,000,000 for emergency employment. The committee has planned to distribute these funds weekly to local charity organizations which will use the money to provide employment in the parks and other non-profit making institutions. A wage of \$5 a day will be paid for a three day week, thus maintaining the prevailing wage rate and at the same time giving the men an opportunity to look for other jobs. This effort is in addition to the regular appeals of the charity societies.

The Mayor's Official Committee for the Relief of the Unemployed and Needy, consisting of 37 officials, is securing from the 125,000 city employees monthly contributions of one per cent of their salaries for six months. This provides a fund of more than \$250,000 per month to supply food for destitute families. Donations of food and clothing are also being sought by the committee. Tons of foodstuffs have been donated by farmers' agents and commission men.

The relief supplies are given out through the police precinct stations. Needy families are supplied with tickets by the police, and upon presentation of these tickets they are given a carton of food designed to last a family of four for one week. Six hundred thou-

sand pounds of food were distributed to 14,000 families at the first weekly disbursement. A census of unemployed heads of families taken by the Police Department showed on December 3 a total of 47,891 families in need. Only bona fide residents of the city were considered in the canvass, as "floaters" will not be assisted.

The city is transforming the East 25th Street recreation pier into an annex to the municipal lodging house at a cost of \$111,000. Plans are being made to care for 1,500 homeless men there nightly. Breakfast and supper will be given these men and a noon meal will be provided for several thousand.

There are more than 50 bread lines, soup kitchens, food depots, and other free eating places in New York City serving an aggregate of more than 40,000 meals a day. The Salvation Army is running 14 free food stations in the city.

Former Governor Alfred E. Smith is serving as chairman of the Welfare Council Coordinating Committee, composed of 100 members who seek to unify and strengthen the many programs for unemployment relief in the city. The committee will raise no funds itself, but will work in close cooperation with the Emergency Employment Committee, city authorities and various other fund-raising, relief-rendering and job-promoting agencies.

Other cities have also organized to administer emergency relief. In Chicago a committee of 25 prominent citizens are conducting a campaign to raise \$5,000,000 for unemployment relief during the winter. The total of registered unemployed as reported on November 15, was 113,000, of whom 40,000 were destitute. United Charities officials stated that the situation was more desperate than any the organization has known in the seventy-five years of its existence. In Cleveland, \$5,400,000 has been subscribed for the community fund and the emergency fund.

Although the cities are becoming increasingly conscious of their responsibility to their own citizens they are determined not to be preyed upon by "floaters." The Southern cities particularly feared that hordes of undesirables would descend upon them when cold weather arrived in the North and they have undertaken to counteract the movement through "keep away" publicity. Other cities, Washington and Detroit, for example, have also felt that they had particular reason to fear an influx of vagrants and have issued warnings. According to reports made to the New York Welfare Council Coordinating Committee on Unemployment 60 per cent of the jobless in New York's bread lines have been in the city less than a month. Steps have been taken to stem this drift of unemployed to New York by appealing to the mayors of Eastern cities and towns.

Emergency relief by charity organizations was most generally provided in the form of food and clothing, according to replies to questionnaires received by the American Association for Labor Legislation. Fuel and shelter were also given by some organizations. The United Jewish Charities of Hartford gave money on a temporary budget allowance. In Washington the Associated Charities provided relief sometimes by check, but generally by relief orders. The Flanner House in Indianapolis made loans of small sums on rent. The United Charities of Wilkes-Barre used their regular voucher method for food and clothing. In a number of other places loans were made or money given to needy applicants. In some cases credit was established for the applicants.

The Federal Government's part in the relief program is chiefly as a coordinating agent for the activities of the local governments. "It's a coordinating sort of thing and the best that we can do is to let various places know what others are doing as a guide for their own efforts," said Colonel Woods, chairman of the President's Emergency Committee for Employment.

However, the Secretary of War, on his own responsibility, authorized the use of army cots and blankets in armories and other public buildings for the destitute jobless.

Unemployment Insurance

Until the summer of 1930, public opinion in this country, as gauged by press editorials, was almost unanimously opposed to any form of unemployment insurance. By energetically dubbing all such suggestions with the opprobrious epithet "dole", a very effective smoke screen was thrown out to hinder progress in this direction.

It did not seem to matter to the public mind that the term "dole" was a misnomer; that England's poor relief and genuine unemployment insurance were different things; and that unemployment, like fire, disease, burglary or rain, is a risk which is capable of being met by insurance. Nor did it matter apparently that in the absence of unemployment insurance we must have doles—*real doles*—in the form of either public or private charity, during severe unemployment crises.

But the last few months have brought a marked change in public opinion. It has begun to seep into the public consciousness that America with all of its vaunted prosperity and with its laggard wel-

fare legislation is actually facing an unemployment problem approaching in magnitude that of England and other European countries. Confronted with the necessity of doling out charity to workers made destitute by involuntary unemployment, there is a growing belief that a well devised system of unemployment insurance would meet the need more efficiently and with less degradation to the workers.

The turning point appears to have been the proclamation of Governor Franklin D. Roosevelt of New York, who stated before a conference of governors in Salt Lake City in July that "Unemployment insurance we shall come to in this country just as certainly as we have come to workmen's compensation for industrial injury and just as certainly as we are today in the midst of a national wave of insuring against old age want."

In a collection of approximately 200 editorials on the subject appearing since July 1, only 50 are definitely antagonistic and half of the remainder openly favor unemployment insurance.

The Philadelphia *Record* appears to be an exceptionally strong protagonist of such a plan. Following are excerpts from some of its recent editorials:

"Like old age pension systems, it [unemployment insurance] is destined to gain a foothold in the common view of life and become an established part of our social system. And when it is so established, people will wonder what was wrong with us of today, that we made such a fuss over so obviously workable a device for the increase of human happiness and the driving out of the crippling fear of inability to support dependents, which is the most dread phase of the economic ills of unemployment." (Aug. 28, 1930).

"Insurance against unemployment is the next big step in our national industrial progress. The distresses of 1930 should make it easy to legislate such a system into being." (August 31).

"One by one the leaders of the world fall into line and see that the mischances, the accidents, and the unemployment which befall the worker are the concern of all mankind. The remedy, in the form of insurance, is at hand. It is no longer even 'liberal' to advocate it. It is simply businesslike." (September 3).

Following are statements from other editorials on the subject culled from various papers.

"In reality, unemployment insurance is insurance of the existing economic and social order, and, in this sense, the chief financial burden of it rightly rests on the whole body of vested interests."—*Springfield (Mass.) Republican*. (Sept. 2, 1930).

"This [unemployment insurance] is the humanitarian answer to unemployment. It does not pretend to cure the disease, which is economic, but

only to soften the effects. The economic doctors may not like it, but if they cannot produce a cure, they may be sure that the humanitarian practitioner will be called in." *St. Paul (Minn.) Pioneer-Press* (Sept. 1, 1930).

"Under present conditions, the fear of losing his job haunts many a man through life. A period of protracted unemployment presents a problem from which he has no escape. We protect ourselves from other calamities by insurance. It is in order for the community to consider the possibility of protecting itself, by sane means, from the unemployment of people who really want to work." *Cincinnati (O.) Times* (August 9, 1930).

"To date it would seem the most satisfactory plan advanced is that whereby industry or the employer bears half the burden, and the worker the other half somewhat like the workmen's compensation idea. Thus from the profits of the one and the earnings of the other the need for objectionable charity is removed and the politician has one less plaything to manipulate." *Lynn (Mass.) Telegram-News* (August 7, 1930).

"We are going to hear a great deal about unemployment insurance. It has been urged before and often denounced as Un-American, Socialistic or Bolshevistic, according to the vehemence of the speaker. Events of the past year have unfixed a good many fixed ideas. Traditional opposition to unemployment insurance is likely to be one of them. An intelligent and openminded consideration of this weapon against unemployment is in order now as never before." *Cleveland (O.) Plain Dealer* (Nov. 20, 1930).

"Unemployment insurance might add to manufacturing expense. The manufacturers would pass the increased cost along to the public in high prices. Ultimately society would bear the burden. It would be equalized on the shoulders of all the people. No necessity for a jobless man to steal bread or potatoes for his family. And having some income, though idle, each industrial worker would have some purchasing power. Therefore there would be less unemployment." *Toledo (O.) Blade* (August 16, 1930).

"Properly handled, unemployment insurance is better than a dole, and it is certainly better than breadlines and Red riots. The success or failure of the system is in that phrase 'properly handled.'" *New York News* (Sept. 1, 1930).

"There is nothing of charity involved. There is everything of security in it—security for the worker and for society itself." *New York Evening World* (August 29, 1930).

"It contravenes no economic law to which modern industry subscribes, and the Governor is, in fact, to be congratulated in submitting it to the consideration of the people of the State." *Brooklyn Times* (Aug. 29, 1930).

"Our present economic system rests under the reproach of not having yet found a way to end the vicissitudes of the business cycle, but it has done much through social insurance to mitigate the sufferings of unemployment. The heavy burdens on the British and German budgets explain the absence of widespread labor discontent." *New York Times* (August 29, 1930).

"If unemployment insurance is Bolshevistic, anyway, it is the kind of Bolshevism that the American workman, willing and able to work, but UNABLE to find a job can understand." *New York Journal* (August 29, 1930).



—New York Telegram

Has He Learned the Lesson Now?

"One after another the States are adopting the various forms of social insurance which originate in lands with more urgent industrial problems, workmen's compensation, widows' pensions, health insurance, old-age pensions * * *. One plan or another for caring for the man who is out of work through no fault of his own will be adopted here when our social consciousness is ready for it." *New York World* (July 4, 1930).

"We may heartily approve of the step taken by the General Electric Company and agree with the New York State industrial commissioner, Frances Perkins, that the plan is of world-wide significance and embodies a piece of industrial statesmanship of the first order. Yet admirable as the proposal is, it will not be a substitute for public compulsory unemployment insurance. Few corporations have shown any inclination to take such steps as these just announced by the General Electric. Only the uniformity which compulsory insurance can secure will save the progressive employer from being penalized for his humanitarianism or guarantee workers the protection which they must have." *Columbus (Ohio) Citizen* (July 25, 1930).

Although public interest on the subject of unemployment insurance is growing, it is still far from being generally diffused. Thirty of fifty-six relief organizations replying to the question had not noticed any increased interest in the subject. "They don't know what it's all about," said a social worker in Detroit. "Newspapers beginning to give it favorable mention," said a writer from Toledo. In New York it was being discussed "by more intelligent groups." In several places social workers and labor groups were reported to be interested. In one or two cities, business men were reported to be interested.

Chamber of commerce executives were, for the most part, non-committal as to whether in their opinion unemployment insurance might be helpful in stabilizing employment:

Replies from Evansville, Lewiston, Easthampton and Manchester were in the negative. Officials in Baltimore, Detroit, Jackson, Cleveland and Chattanooga were unwilling to express an opinion without a careful study of the plan. Other replies were as follows: "Not favored by employers. Costly in administration. Robs workers of incentive to find work or to accept other than usual work," (Buffalo). "The writer is of the opinion that unemployment insurance would accomplish very little, if anything, and might lead to the development of a very undesirable situation," (Grand Rapids). "A doubtful experiment. Understand not satisfactory in European countries," (Pawtucket). "Unemployment insurance would be so abused, unemployment would increase," (Fort Worth). "I doubt it. Too many people do not use common sense in spending their money," (Superior). "It should, if equitably arranged," (Newport). "Yes, that system has merit. It is too big a subject, however, to pass judgment without additional information and considerable thought," (Davenport). "Without having given a great amount of study to

the question, I would say that this seems the most practical solution for suffering caused by unemployment," (Lexington, Ky.). "Yes, no doubt, if contributory," (Springfield, Mass.). "Unemployment insurance properly developed should be helpful," (Northampton).

Although the American Federation of Labor as a national organization has not endorsed compulsory unemployment insurance a number of its constituent organizations, as well as some others not affiliated, have gone on record approving legislation for this purpose. Among these are the New York, Pennsylvania, Wisconsin, Minnesota, Montana, Rhode Island, and Utah State Federations of Labor; the Indianapolis, Flint, Elmira, Schenectady, Everett, Green Bay, Racine, Newport and Providence central bodies; the United Hebrew Trades (New York); the American Federation for Full Fashioned Hosiery Workers; the reorganized wing of the United Mine Workers; the Pattern Makers Association of New York and Vicinity; the United Textile Workers; the Cloth Hat and Cap Makers Union; the American Federation of Teachers; the Amalgamated Lithographers Union; the Canadian Trades and Labor Assembly; the International Ladies Garment Workers; the International Fur Workers; the Commercial Telegraphers' Union; the Brotherhood of Railway Clerks; the International Pocket Book Workers; and the Amalgamated Clothing Workers of America.

Changes in Method

Although a large number of the 120 relief organizations replying to the questionnaire could see no improvement in methods used in dealing with unemployment in this depression as compared with those used in previous depressions, there were a number who saw encouraging aspects of the situation. More general interest in the situation, more concerted effort on the part of the community, the increasing use of public employment offices, more adequate relief appropriations, closer co-operation among relief-giving agencies, and co-ordination of civic efforts through unemployment commissions, were the principal improvements listed.

"Fortunately, there has been no emergency relief fund. In 1915 money was given by private subscription for made work which was a fizzle. I believe in placing the burden on the public relief departments," (Family Welfare Society, Boston).

"Less tendency to have recourse to soup kitchens, etc.; more of a tendency to finance existing agencies more adequately. A disposition to co-ordinate special efforts this winter and make use of the experience of existing agencies," (Provident Association, St. Louis).

"Perhaps the greatest improvement is the seriousness with which the matter is considered by responsible members of boards and others. This has led in my judgment to more stable measures for attacking the problem. There is also an under-current of interest in unemployment as a permanent problem that seems greater than in any previous depression that I have known although there is great bewilderment to know what can be done to deal with the permanent problem," (Association for Improving the Condition of the Poor, New York).

Labor unions also noted only a few differences in the methods used to deal with unemployment at this time as compared with those used in the two previous crises. "The question has been given more consideration from standpoint of giving employment rather than charity. Unemployment insurance is generally supported," (St. Paul). The Indianapolis and Toledo unions felt that the co-operation existing between government officials and chambers of commerce was a progressive feature of the present period.

The consensus of opinion among chambers of commerce seemed to be that accelerating public works programs had been the most successful method in relieving unemployment. Spreading work was also praised as a means of meeting the situation.

A comparison of the information obtained in this study with the findings of the two previous surveys, of 1914-15 and 1920-21, shows three rather significant differences: First, a greater awareness of the problem on the part of the public generally; second, the widespread appearance of state and municipal committees working toward a permanent program of stabilization and prevention of unemployment; and, third, a greater interest in and increasingly favorable attitude toward unemployment insurance.



Standard Recommendations for the Relief and Prevention of Unemployment

The following summary of methods found to be most effective in meeting the problem of unemployment was published as conclusions to the unemployment surveys made by the American Association for Labor Legislation in 1915 and 1921. The present survey once more emphasizes the practical value of these measures. They are therefore again submitted by the Association as a concrete answer to the insistent demand for a constructive program to combat the unemployment evil.

1. Organization

Organize the community as long as possible before unemployment becomes acute, including any necessary reorganization or coordination of existing agencies. The appointment of an unemployment committee by the governor or by the mayor, if improper political influence is guarded against, insures semi-official standing and greater prestige. Include in the membership **all classes concerned**, such as employers, workingmen, public officials, social workers, civic leaders and representatives of churches, lodges and women's clubs. To carry out preventive measures, **permanent organization**, not temporary activity during a crisis, is essential.

2. Education

Upon the basis of careful information gathered from employment offices, relief agencies, and all other available sources, **bring the facts of the unemployment situation home to every citizen**. Emphasize civic and industrial responsibility. Avoid "the ostrich policy of refusing to face the facts on the one hand and hysterical exaggeration of facts on the other."

3. Emergency Relief

Avoid duplicating the work of existing organizations. Do not advertise the existence of large relief funds or other provisions for relief without work, or give indiscriminate relief to able-bodied men. Except as a last resort, discourage the starting of bread lines, bundle days, soup kitchens and similar measures. **As far as possible supply aid by means of employment**, at standard rates, but on part time, to encourage early return to regular occupation. Open workshops and secure odd jobs from householders. Do not provide work for housewives who are not ordinarily wage-earners, instead of for their jobless husbands. For the homeless, provide a municipal lodging house, with a work test, or a cooperative lodging house under intelligent supervision and leadership. Abolish the "passing on" system, but do not make provision for non-residents at the expense of resident unemployed family men.

4. Separation of Unemployable and Unemployed

Differentiate the treatment of the unemployable from that of the unemployed. Develop appropriate specialized treatment based on the continuous work of trained social investigators for the in-

mates of the municipal lodging house. Provide adequate facilities for the care and treatment of the sick, the mentally defective and the aged. Develop penal farm colonies for shirks and vagrants, training colonies and classes for the inefficient, and special workshops for handicapped and sub-standard workers.

5. Employment Bureaus

A—Emergency and non-commercial private bureaus.

If one is not already in existence, **open an employment bureau to centralize the community's labor market**, using private contributions if necessary in the initial stages. Beware of poor location and insufficient appropriations, of political appointees and general inactivity. Do not start temporary philanthropic bureaus in times of depression if there is a public bureau which can be made efficient. Stimulate the **cooperation of citizens** to coordinate the work of non-commercial private bureaus.

B—Permanent public bureaus.

Secure adequate legislation establishing permanent state or municipal bureaus, extending joint city-state-federal control in their administration. Work for federal and local legislation and appropriations to develop a nation-wide system of employment bureaus.

C—Private fee-charging agencies.

Secure new state legislation, constitutional under the recent Supreme Court decision (Ribnik case, 48 Sup. Ct. 545), which will afford adequate regulation for private fee-charging agencies.

6. Public Work

Start or push forward special public work, using private contributions in time of urgent need if public funds cannot be obtained. This should not be "made" or unnecessary work, but needed public improvements in as great variety as possible, so as to furnish employment to other sorts of persons besides unskilled laborers. Give preference to resident heads of families if there is not work enough for all applicants. **Employ for the usual hours and wages**, but rotate employment by periods of not less than three days. Supervise the work carefully and insist upon reasonable standards of efficiency. To avoid the difficulties of emergency action make systematic plans for the regular concentration of public work in dull years and seasons by the creation of a "prosperity reserve" for the

construction of public works in periods of depression. Urge the repeal of laws restricting cities to contract work. Secure the aid of state and national officials in stimulating local action. **Steady the employment of the regular force**, retaining employees on part time in preference to reducing their numbers.

7. Stabilization of Employment

In times of depression, urge the use of regular employees in making repairs and improving the plant, and the policy of part time employment rather than reduction in numbers. Do not rely upon general appeals to "Do it now," "Hire a man," and the like, addressed to the public-at-large without definite suggestions as to method. **Rouse employers to the importance of the problem and the advantages of stabilization.** Stimulate careful planning for this purpose by experts as part of the **regular routine** of business management.

8. Unemployment Compensation

Work for the establishment by legislation of a system of universal unemployment compensation or reserve funds, supported by contributions from employers. This is the most just and economical method for the proper maintenance of the necessary labor reserves and for supplying the financial pressure needed to secure the widespread stabilization of industry.



"Where There's a Will—"

IT is possible to provide general unemployment insurance in the United States without imposing excessive burdens on industry and without encountering the evils of the European system.

"An American plan of unemployment insurance which imposes on industry the obligation to lay aside reserves for the relief of the unemployed and places on management and labor the joint task of administering these reserves, can solve those problems of political control and administration of which we Americans stand in such genuine fear."—*Dr. Leo Wolman, labor expert of the Hoover Commission on Recent Economic Changes.*

Insure Against Bread Lines

FOR the third time in fifteen years bread lines are now tragic proof that the solution of the unemployment problem in the richest country in the world cannot be left safely to the initiative of private industry alone. Only a few individual employers have tackled the task of staggering production to prevent unemployment, and provided insurance for their workers thrown out of jobs.

Those progressive employers are handicapped in competition with the great majority of employers, who recognize no such responsibility toward labor.

The utter inadequacy of present American provisions for handling the unemployment problem is stressed in the first of a series of surveys just issued by the Industrial Relations Counselors' organization, whose trustees include Owen D. Young, Raymond B. Fosdick, Cyrus McCormick, Jr., and John D. Rockefeller, 3d.

Commenting on the fact that only about one-half of one per cent of the 23,000,000 wage earners of the country are protected by unemployment insurance plans of unions, or corporations, or both, this organization states:

"Both as regards the relief of unemployed workers' distress and counteracting the inevitable reaction of unemployment upon business, the need for more adequate protection against the hazard of unemployment cannot be gainsaid, the long-time planning of public works being as yet mainly in the realm of public discussion and all legislative attempts in the direction of unemployment insurance in the past having been unsuccessful."

Fortunately, the fight for compulsory unemployment insurance will be waged in at least twenty Legislatures this year, with a model bill drawn by the American Association for Labor Legislation Committee. This bill avoids mistakes made in European systems, and builds upon American plans such as those of General Electric, Dennison, and the Amalgamated Clothing Workers.

These state bills will be supplemented by a national bill for federal aid to administrative funds of states operating satisfactory unemployment insurance systems.—Editorial, *New York Telegram*, Dec. 16, 1930.

The Theory of Workmen's Compensation¹

By EDWIN E. WITTE

Chief, Wisconsin Legislative Reference Library

THE dictionary defines a theory, as "the act or result of looking into or contemplating any object or group of objects, or any series of events; a mental plan or scheme framed to agree with the observed facts and designed as a rational explanation of them." In this sense, there is no adequate theory of workmen's compensation. Like Topsy, workmen's compensation has "just growed," and everybody has been too much concerned with immediate practical problems to give much thought to theory. A broad and valid constitutional foundation has been developed; but the usual economic explanation and justification of the compensation laws, I submit, is crude and untenable.

This generally accepted theory has two parts, one an explanation of workmen's compensation, the other a social justification. Workmen's compensation is described as a system for placing the cost of accidents, or the resulting economic loss, upon industry. In justification, the second part of the usual theory asserts that industry adds the compensation it pays to the cost of the product and shifts this cost to the consumers.

This theory was derived from the German system of social insurance, but was carried over to the American laws, although these departed far from the German system. It occurs in the reports of most of the state commissions which drafted the original compensation laws of 1910 and 1911 and has survived, practically without dissent, to this day. While often reiterated, it has, however, apparently influenced very little the actual course of compensation law and practice. From its inception, it has represented rather a sugar coating to make workmen's compensation palatable than the true content of the remedy.

¹Address, Twenty-third Annual Meeting, American Association for Labor Legislation, at New Orleans, December 28, 1929.

Does Industry Pay?

The first proposition in this theory, that the purpose of the compensation acts is to place the economic cost of industrial accidents upon industry, perhaps expresses the ideal, but certainly is not a rational interpretation of the existing compensation laws.

To begin with, workmen's compensation does not place the *entire* cost of accidents on industry. The most liberal of our compensation laws allow the injured workman two-thirds of his wage loss, and even these laws limit the period during which compensation is payable and prescribe a maximum wage for purposes of computing compensation. The effect of these limitations appears in a study of the Wisconsin law, made by the chief statistician of the industrial commission of Wisconsin. Although this law is rated by insurance companies as standing third highest in its aggregate benefits, employers in Wisconsin pay only about 30 per cent of the total loss sustained by injured workmen; and some compensation laws pay less than one-half the Wisconsin benefits.

Even if this first proposition in the usually accepted theory is modified to the extent of placing *a part only* of the economic cost of accidents upon industry, it still does not fit most of the existing laws, since they make the employer, not industry, liable for the statutory compensation. True, most of these laws require the employer to insure, but, except in California, it is only when insurance is carried in a state fund that the employer is thereby relieved from liability. When an employer carries compensation insurance, the liability of the insurance company is primary; but the employer remains secondarily liable. When the insurance company fails or for any other reason defaults in payment, the employer must come to the rescue.

The responsibility of the individual employer is increased by provisions in the compensation laws for payment of additional compensation in certain contingencies: when the accident is due to a violation of a safety law or order, when the injured is a minor illegally employed, when payment of compensation is unreasonably delayed, and in still other situations. Such provisions invariably include a prohibition against all insurance of the liability for increased compensation, the underlying idea being to penalize the employer who is at fault. The same consideration has led to the widespread adoption of schedule (merit) and experience rating in the determination of compensation insurance rates, as a result of which the rate

of any given employer depends to a very great extent upon his own equipment, activities and record in accident prevention.

These features, which represent mainly recent innovations, have extended the liability of the individual employer. On the other hand, there have been some other new features which look toward liability on an industry, rather than an individual employer, basis. Most of the existing compensation laws do not proceed exclusively upon either of these bases, but use both; however, of the two, the liability of the individual employer is emphasized distinctly the more.

Does the Consumer Pay?

Let us now consider the second part of the usual statement of the theory of workmen's compensation: That the employer adds the compensation paid injured workmen to the cost of production and shifts this cost to the consumers. Does this concept agree with the known facts?

There is within each state a wide range in compensation costs among employers in the same industries. In a Wisconsin industrial city there are two large aluminum goods factories, one with a good, the other with a bad, accident record. The first has a compensation insurance rate of \$1.15; the second, of \$3.00. In another Wisconsin city is a third large aluminum goods factory. A few years ago, after years of self insurance, this concern insured with a mutual insurance company. Because of its highly favorable accident experience, this company received a rate of \$1.00. At the end of the year it was paid back 20 per cent of its premiums in dividends; yet the insurance company in that year made \$15,000 on the risk. This company is now again a self-insurer, and its accident cost in 1929 probably will not exceed 50 or 60 cents per \$100 of payroll. Which compensation cost of these three factories is shifted to the consumers of aluminum goods: \$3.00, \$1.15, or 50 cents per \$100 of payroll?

This is not an unusual situation; on the contrary, it is what happens right along under schedule and experience rating. Last year, experience rating was extended to three-fourths of the entire compensation insurance premiums in Wisconsin, and schedule rating to three-eighths of the total. Besides, employers who insure with state funds or with mutual insurance companies have an appreciably lower rate than those who insure with stock companies, because the overhead expenses of these carriers are less than those of the stock com-

panies. Self-insured employers pay no overhead to insurance companies at all, and many of them have such a good accident experience that what they pay in compensation is but a small fraction of the cost falling upon insured competitors.

To these differences within each state, must be added differences between states in compensation benefits. On January 1, 1929, the New York law was rated by insurance companies as having a general level of benefits of 1,000; those of Massachusetts and Pennsylvania at 714 and 715, respectively. Arizona's law was rated at the top, 1,031; New Mexico's law at the bottom, 484. These are neighboring mining states; but which compensation cost was reflected in the price of copper or silver: the cost of the New Mexico operators, under a law rated at 484, or the cost of the Arizona operators, under that rated at 1,031?

Varying costs do not necessarily mean that the payments made by employers for compensation or compensation insurance are not shifted to the consumers. Economic theory teaches us that, both under conditions of competition and under conditions of monopoly, these costs *may* be shifted, in whole or in part, depending upon the elasticity of demand and other factors. It does not assert, however, that the entire cost is necessarily or usually shifted, nor does it answer what part is passed on to the consumers in any concrete case. Similarly, the extent to which compensation costs are shifted is not statistically measurable. It is probable that a part of the costs are normally shifted; but all employers, with their greatly varying costs, certainly do not escape painless. If employers were able to shift all their costs, they would have no reason to be concerned about the level of compensation benefits. In fact, they are very much concerned; and who would say that their concern is foolish?

"The Least Social Cost"

So much by way of destructive criticism; now for an attempt to formulate a more defensible theory. Workmen's compensation does not place the cost of accidents upon industry, but provides for a sharing of the resulting economic loss between employers and employees on a pre-determined basis, without reference to fault, under a plan designed to insure prompt and certain recovery, at minimum expense. Its justification is, not that the consumers in the end pay the bill, but that workmen's compensation reduces the economic loss resulting from industrial accidents to a minimum. This is the prin-

ciple of "the least social cost," a phrase coined by the late E. H. Downey in his book on workmen's compensation,—the philosophy of eliminating industrial waste, which President Hoover and his fellow engineers have made familiar in recent years.

This theory makes the prevention of accidents the foremost objective of an adequate compensation law. The remarkable records made by some plants show the possibilities of sincere, practical efforts at accident prevention; the failure to materially reduce the total number of industrial accidents points to the need for redoubled efforts in this field, and, perhaps, calls for new methods and devices. We need particularly to reach the small employers, who seem thus far to have been practically untouched by the safety movement. The compensation law which does not encourage accident prevention and the compensation commission which does not interest itself in this problem miss the most important of all their opportunities.

Next, this principle of the least social cost demands that workmen who are accidentally injured shall be restored, physically and industrially, as completely and promptly as possible. In this respect, genuine progress has undoubtedly been made. Medical benefits have been distinctly liberalized, and most states now give at least some attention to vocational rehabilitation. That the majority of the compensation laws still limit medical benefits, however, proves that the possibilities of preventing needless waste through measures of this kind are even now not fully appreciated.

Equitable Distribution

With reference to the cash indemnity, the principle of the least social cost does not demand that the *entire* economic loss due to accidents should be placed upon the employer. Rather, it suggests an equitable distribution of the costs between the employer and the employee, with benefits adjusted so that, on the one hand, there will be an incentive to the injured workman to return to work as soon as he can safely do so, and, on the other, assurance that his standard of living will not have to be lowered while he is disabled. Further, it calls for eliminating the wastes involved in slow and uncertain benefits and in unnecessarily high overhead costs.

This consideration condemns court administration of workmen's compensation, which invariably has meant shortchanging, delay and

expense. The enforcement of compensation laws is an administrative, rather than a judicial, problem; and it is a sad mistake to burden the courts with this duty. It is, also, a mistake for compensation boards to assume the attitude that they are judicial bodies and have nothing to do with enforcing payment, unless there is a dispute and the case is brought to them for decision.

The principle of the least social cost, further, suggests caution in the introduction of refinements in benefits which, while tending toward more exact justice, result in an increased number of contests, with their inevitable delay. It requires that the costs to employers and their competitive conditions be given consideration as well as the needs of the injured employees. Lastly, it raises the question whether it is really necessary that forty cents out of every dollar collected from employers for compensation insurance by the stock companies go to overhead.

As a final conclusion to be drawn from the principle of the least social cost, I submit the thought that there is nothing sacrosanct in the existing compensation laws or any of their features. This theory of workmen's compensation demands neither that industry nor that the individual employer shall be held liable for compensation. Either basis is possible, or a combination of the two, as is being developed in this country. The test is not whether industry or the employer is made responsible, but which works best and results in the least cost to society, including in this term the employers, the employees, and the general public.

Likewise, as the United States Supreme Court has held, compensation does not have to be based upon wage loss. And certainly there is nothing in the theory of workmen's compensation that recovery be allowed only for results attributable wholly to accidents, and not for consequences in which the injuries sustained are merely contributing factors, or that only accidents be compensated to the exclusion of other injuries directly traceable to the employment. The "dangerous tendency toward liberalization," which F. Robertson Jones has denounced, is not a departure from the theory of workmen's compensation, but a logical and necessary extension, to better carry out its true purposes. Workmen's compensation, even now, is far from being perfect, and no provision of the existing laws is so sacred that it should not be changed, if something better is offered.

A Social Theory

The theory suggested is a truly social one. Any individualistic basis for workmen's compensation is manifestly untenable. Workmen's compensation does not place the entire cost of accidents upon the employers, but it does make them liable in many cases without fault on their part. A requirement that even one dollar of compensation must be paid for any accident for which the employer was not to blame, cannot be justified upon principles of individual liability; neither can payment of anything less than full damages when the employer is at fault without negligence on the part of the injured employee.

This problem has been met, on the legal side, by the courts' development of a constitutional justification resting upon social grounds. This is the police power, the most social of all powers of government. Some state courts, having to deal only with elective laws, have regarded workmen's compensation as a contractual arrangement, voluntarily entered into by both the employer and the employee. The United States Supreme Court, confronted by compulsory as well as elective laws, has found a much broader basis for workmen's compensation, namely, the police power, the right of the public, in the interests of the general welfare to place restrictions upon freedom of contract and rights of property. Its conception of workmen's compensation appears in *Cudahy Packing Co. v. Parramore*, 44 Sup. Ct. 153 (1924):

"Workmen's compensation legislation rests upon the idea of status, not upon that of implied contract; that is, upon the conception that the injured workman is entitled to compensation for an injury sustained in the service of an industry to whose operations he contributes his work as the owner contributes his capital—the one for the sale of wages and the other for the sake of profits. The liability is based, not upon any act or omission of the employer, but upon the existence of the relationship which the employee bears to the employment because of and in the course of which he has been injured."

Here, we have not only a broad and sound constitutional foundation for workmen's compensation, but one that rests upon truly social considerations. The court does not proceed on the unproven assumption that compensation costs are shifted; there never has been one line in a decision of the United States Supreme Court to this effect. Instead, it bases its argument upon the progressive posi-

tion that industry exists, not for the benefit of the stockholders alone, but also of the employees.

Unfortunately, the economic justification of the compensation laws has not been developed to the same point; in fact, there has been little progress here since workmen's compensation was first discussed.² The generally accepted theory of compensation will not bear examination. Further, putting forward the indefensible proposition that the employer should bear the entire cost of accidents, makes it more difficult to secure an equitable division of the cost of accidents. When we cease talking about industry's bearing the entire cost of accidents, we may get support for a program of splitting the total costs on something like a fifty-fifty basis, which would represent an immense gain over existing standards, even in the best laws.

Similarly, the theory of workmen's compensation suggested serves to bring out clearly the relation of workmen's compensation to other forms of social insurance. The opponents of health insurance and unemployment insurance have stressed the thought that these forms of social insurance differ fundamentally from workmen's compensation. As long as the purpose of compensation is presented as being to place the entire cost of accidents upon industry, because industry is responsible therefor, this argument has great force. Clearly, industry is not responsible for all sickness or unemployment among its employees; and it is unjust and socially unwise to throw the entire cost of sickness or unemployment among wage-earners upon industry. When, however, compensation is presented in its true light, as a scheme for dividing the cost of accidents on a predetermined equitable basis, without reference to fault, and when it is justified upon the principle of the least social costs it becomes apparent that workmen's compensation is a form of social insurance and rests fundamentally upon the same basis as do other types not yet adopted in this country.

But whether you agree with me or not, may I express the hope that you interest yourself in the problem of developing a theory of compensation which will be both sound and progressive?

² Notable exceptions are the discussions of the theory of workmen's compensation by two eminent legal writers: Ernst Freund in *Standards of American Legislation* and Roscoe Pound in his *Theory of the Common Law*. The conception of workmen's compensation and the views expressed as to its social justification are in substantial accord with those presented in this paper, although the approach and emphasis is somewhat different.

A Manufacturer's Comments on Dr. Witte's Theory of Compensation Costs

M. E. Leeds Says Employer Does Shift the Burden¹

I HAVE been so much interested in Dr. Witte's analysis of the incidence of compensation costs and am so sympathetic with his suggestion that lowest social cost should be the guiding theory behind compensation legislation, that it is with hesitation that I criticise even a minor detail of his paper.

I think, however, that he has fallen into an error—perhaps slight and perhaps unimportant in his total argument—when he questions the assumption that compensation payments are added to the cost of production and in that way shifted to the consumer. I presume that no one was ever so naive as to suppose that a manufacturer of aluminum ware, let us say, after taking out compensation insurance, proceeded to calculate the cost of that insurance represented in each pot and pan sold, and then marked up the selling price a corresponding amount. On the other hand, I think no one familiar with factory cost accounting will question the statement that insurance costs of this character, along with all other miscellaneous costs, will be added to Overhead, and through Overhead will appear as part of the cost of the finished product. Neither, I think, can it be questioned that in the long run the full cost of the finished product, including all Overhead items, will be reflected in the selling price. That price will have to be made high enough to cover the full cost, plus a margin of profit sufficient to attract capital and compensate management.

The fact that compensation insurance costs will vary with different companies and under different circumstances, and cannot be directly reflected in selling prices because of other factors that control selling prices, does not invalidate this general statement. It might equally be argued that variations in wage rates, improvements in manufacturing technique and many other factors which control cost and on the average affect selling price, do not actually enter into cost and selling price because they are not reflected directly by differences in the selling prices of the different manufacturing companies represented.

¹Extract from discussion at workmen's compensation session, Annual Meeting of American Association for Labor Legislation, New Orleans, December 28, 1929.

Personal Responsibility for Accidents¹

By IDA M. TARBELL

THERE was a time—not so far back—when accidents were generally classified as “Visitations of the Lord.” Science has corrected most minds on that point. Accidents are conceded to be the work of human ignorance, carelessness or stupidity. This is a long stride on the road to safety, but a second stride of almost equal importance is developing in the individual a sense of his responsibility not only to keep himself out of danger but to do nothing which will put others in danger.

One of the greatest safety rules that has ever been devised, if not the greatest, runs: “Show me where an accident can happen and I will show you where an accident will happen.” It has come to be a basic rule—in the safety education which goes on in all our better industrial plants. It has been stressed in some places until a body of men has been built up who almost unconsciously recognize when the ladder which they are to ascend is properly placed, when the hammer or the wrench that they are using is placed where it may fall on the head of somebody below—responsibility for their own lives and the lives of their fellow workers is an element of daily practice—a factor of their character as workers.

This is, I think, true in practically the whole factory world. Unhappily, in one of our most dangerous industries, that of mining, the recognition of responsibility is not so general. There are well developed methods of making mines safe, but in parts of the country they are still flouted. There are still mine owners in this country who are too selfish or too ignorant to make safety a first consideration; and there are states where the legislatures are so intellectually backward, so indifferent to the well being of their own citizenship that they will not force mine owners to equip their mines with every known safety device.

Only a few days ago 61 men, most of them heads of families, were killed unnecessarily in an Oklahoma mine,—one of the legislatures of the Union, still backward in looking after its people. Who can deny that this legislature as well as the mine owners were not accomplices in this awful murder of useful men?

¹From a radio address given under the auspices of the National Broadcasting Company and the National Safety Council, January 14, 1930.

Compensation Administration—By Courts or By Commission?¹

By NOEL T. DOWLING

Columbia University Law School

A LITTLE more than forty years ago fresh impetus was given in this country to the administration of law through commissions. The railroads were chiefly responsible for it. Their practices had become the subject of considerable criticism and complaint. By their schemes of rebates and draw-backs and other discriminatory devices they had the power, commercially speaking, to make or unmake persons, towns and regions. And not much relief was to be had under the law.

True, the basic ideas of public utility laws were pretty well accepted. There was a common law system (or systems) on which to work. A well recognized doctrine of the common law prescribed that rates should be reasonable. But what did it avail a man to have a cause of action to recover the excess over a reasonable rate when he had to carry the burden of establishing what was a reasonable rate? Momentary reflection on the intricacies of rate making and the confusion as to rate bases will show the substantial worthlessness of this common law cause of action.

This is merely one instance, but a conspicuous one, of how, when it came to translating the common law into terms of redress for individual complainants (to say nothing of preventing the kind of conduct complained of), the law, or the courts, or both, failed to measure up to the people's expectations and demands. It should be added that in respect to railroads there were other difficulties, arising out of the commerce clause of the Federal Constitution. These difficulties, however, were concerned not so much with what should be done as with where the power resided to do it. Some things the states could not do, and the Federal Government had been slow to do as much as its delegated power authorized. It had become plain, though, that something had to be done about the railroad situation,

¹Address, Twenty-third Annual Meeting, American Association for Labor Legislation, at New Orleans, December 28, 1929.

and the inadequacy of the law and judicial machinery to deal with the growing evils of that situation.

Specialists Needed

What was needed was some method and some agency by which the law—*e. g.*, the rule that rates must be reasonable—could be reduced to a definite meaning and then made effective in a specific situation.

Private initiative was not enough. The task was technical, laborious and expensive. It called for specialists in the field to take the lead in protecting the public interest by assuming the initiative in the administration of the law. At last, in 1887, new laws were written on the statute books and a new piece of administrative machinery, the Interstate Commerce Commission, was put in operation. This commission has had a steady growth.

Many of its activities have to do with matters of prevention: Measures for prospective operation and to prevent practices prejudicial to the public interest. This preventive aspect of the commission's business may be contrasted with the work of courts of law which are concerned mainly with redress for past wrongs.

Prevention, however, does not always prevent. Redress may be less frequently necessary, but it must not be abandoned. And as a matter of fact, provision is made for it in the Interstate Commerce Act: The Commission may investigate individual complaints and issue "reparation orders" thereon, these orders being similar, but not quite equal to ordinary judgments. In the performance of its many duties the Commission sometimes moves of its own accord; sometimes only on complaint. But whatever the function, here is a specialized administration—an *ad hoc* agency "appointed by law and informed by experience," charged with responsibility for administering the laws governing interstate carriers.

Liability Rules Abandoned

It was not, of course, as to railroads alone that dissatisfaction with the common law system became manifest. Industrial accidents and the rules and methods for determining liability furnished ample grounds for further discontent. Again, discontent went to the basis of liability and also to the processes for ascertaining or fixing that

liability. People objected not only to *what* was being done but *how* it was being done.

The common law rule of negligence—built around that mythical person known in the law as the ordinarily reasonable man—furnished at best a vague criterion of liability. It was further complicated by the rules of assumption of risk, of fellow servant, and of contributory negligence, and the latter's own off-spring, the doctrine of "the last clear chance." To this vagueness and complication in the law itself were added the delay, vexation, expense and uncertainty attendant upon proceedings in court. If any clear and inescapable social judgments have been pronounced in our lifetime they seem to me to include this: That our system of common law, in its present functioning, is not an adequate system for dealing with the legal problems raised by industrial accidents.

At any rate, the wave of workmen's compensation laws which have swept over this country within the past twenty years has carried away substantial parts of the objectionable aspects of the common law system. In their stead we have set down a new basis of liability and set up a new machine to fix that liability. Liability exists now for a *risk* instead of liability for a *fault*. The comparatively informal methods of a commission have supplanted the technical processes of the courts. Again, let it be noted, we have a specialized administration.

It must be said, however, that commissions have not been established in all cases where workmen's compensation laws have been enacted. England has been a notable example. Some of our states, too, have provided for court administration. No state, as far as I know, has ever changed from a commission plan to a court plan. On the other hand, several have changed from the court plan to that of a commission. That is to say, shifts in methods of administration have been all in one direction, namely, towards the commission plan.

Now, I am far from suggesting that all the difficulties involved in the administration of a compensation law are adequately provided for by the appointment of a commission. Nor do I mean to suggest that the defects of courts and court procedure which gave impetus to the commission movement are necessarily beyond repair. We hear a great deal nowadays about reform in procedure and about clarification of the law. It may be possible that sufficient readjustment could be made in the courts and that they could be infused with

enough of the (shall we say?) "administrative idea" to make them appropriate agencies for dealing with problems arising from industrial accidents.

But whether we reflect on that possibility or not, it behooves us not to lose sight of what seems to me to be a tendency on the part of commissions to become more and more like courts. By and large, commissioners appear somehow inclined to imitate the judges. To the extent that they imitate the better qualities of the judges, well and good. But it seems to me to be a part of their job to keep the way of doing the job as simple and informal as they can. I suggest neither the infallibility of commissions nor the impeccability of commissioners. But I still hold to the point that, in the circumstances prevailing in this country as I see them, a commission is a better agency than a court for the administration of a workmen's compensation law.

I shall refer to two further matters in support of that belief: First, the nature of a compensation case and its unsuitability to the present processes of the courts; and second, the findings and conclusions resulting from an actual investigation of court administration.

Court Processes

Compensation cases involve, many of them, small amounts. They affect people who can least endure delay. They involve technical appraisal of the extent of the worker's injury and its effect on his earning power. They call for continuing supervision as to the worker's condition and as to the rate of his compensation. They are cases shot through and through with the human element; for they have to do with a concourse of claimants (the injured workers themselves and the dependents of those who were killed), who absorb in a real sense the shock of industrial accidents. They require to be—at least it would be fortunate if they could be—handled with something of a personal touch.

But formality is a familiar characteristic of court procedure. A suit in court, an action at law, is suggestive of judges and juries, witnesses and lawyers, objections and arguments and exceptions and appeals, and withal something of a legalistic atmosphere pervading the room. Judges act more in the capacity of umpires than as investigators. Courts reach their conclusions on the evidence presented by the opposing parties. Commissions are equipped to and

make it their business to get the evidence. A court proceeding often gets entangled in rules of evidence and procedure; commissions operate with greater freedom. Lawyers are practically indispensable in the one, and sometimes almost out of place in the other. Trials tend to become antagonistic affairs. Commission hearings (with, of course, sharp exceptions) stand on a more friendly footing.

After all, the immediate objective sought to be attained by a commission applying a compensation law differs somewhat from that of the courts applying common law. Courts strive in each case to reach a just result, to do an approximation of exact justice between the contestants. This is a quest for the ideal. Justice, too, is the aim of commissions (I should dislike to suggest the contrary) but not so much in the ideal sense. The factors which go to make up the estimate of what is just (liberally seasoned with what is practicable) have already been considered by the legislature in formulating the plan of compensation. The legislature, concerned with what is a fair distribution of the hazards of industry between the employer and employees, is intent upon making its determination as specific as possible so that the task of the commission may come nearer to an automatic operation. One of the purposes of the compensation laws is to cut down the controversial aspects and narrow the range of deliberations; to leave fewer rules to disagree about, and even as to these less room for debate. Emphasis is not so much on the law as on the facts. All the more reason, then, why we should have special tribunals experienced in, conversant with, such facts as these cases abound in.

Experience with Court Administration

I come now to the results under court administration. I refer particularly to an investigation, under the auspices of the American Association for Labor Legislation, of the operation of the compensation law of New Jersey.² This state was selected as being the first American state permanently to put into effect a compensation system. One of the dominant features of that system was a court procedure plan of administration. The records were studied of 721 cases

² See "Three Years Under the New Jersey Workmen's Compensation Law," *AMERICAN LABOR LEGISLATION REVIEW*, Vol. V, No. 1, March, 1915, pp. 31-102. This report by the Social Insurance Committee of the American Association for Labor Legislation is the first intensive American study of the actual operation of a workmen's compensation law.

handled by the courts during the two-year period from November 1, 1912 to October 31, 1914. On the average, it took from 30 to 35 weeks from the date of the accident to the conclusion of the case. On the average, the cost per case was between \$150 and \$175 as against an average award of approximately \$750—in short the cost was more than 20 per cent of the recovery. Small cases did not get into the courts and there was no way of ascertaining either how many there were or what happened to them. On the two counts of *delay* and *cost* (as to which the foregoing is but a scant summary) and the further count of the “*unfitness of the courts* for the settlement of compensation claims” (as to which I have not attempted to summarize the findings) the conclusion drawn in the report was that the court method of administration “defeated in a considerable measure the purposes of the compensation act.”

To the same general effect is the symposium of views expressed at the meeting two years ago of the International Association of Industrial Accident Boards and Commissions.

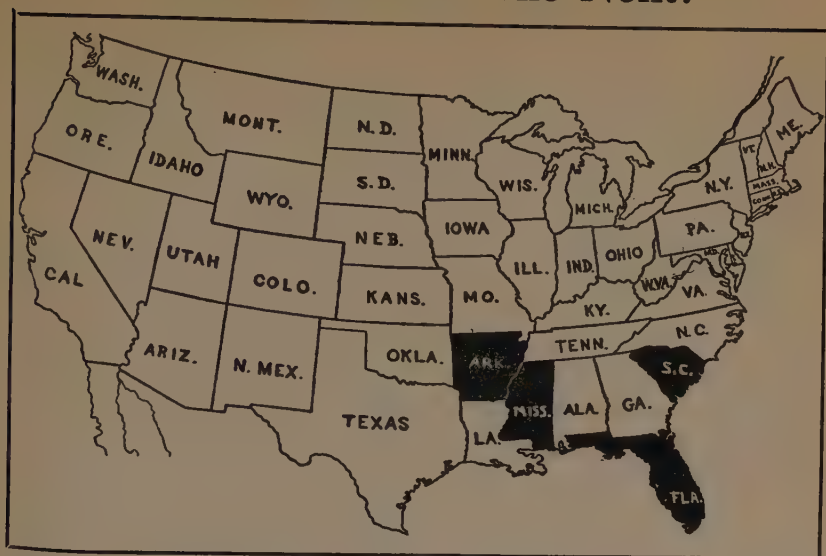
So, whether we speculate on theoretical aspects or take evidence from experience, we come to the same conclusion, that the advantages of administration lie in the commission plan. And through all that we say, runs this thread of reason: That in a commission we have a specially selected personnel to do a special job.

Remove the Blot!

“**I**GNORANCE and greed, twin dragons of a social order struggling for righteousness, successfully have blocked the enactment of a workmen’s compensation act in Florida. * * *

“This is a subject of importance to every wage-earner, to men, women and children; it is to the advantage of the employer in every industry without exception, and it is of very great importance to the entire state, urged on by public administration to speed development and progress. In the past, ignorance on the part of some employers and employes, and greed on the part of other employers and of a type of lawyer that disgraces an honorable profession by its opposition, have blocked the enactment of a compensation system. Considered fairly and intelligently by worker, employer and all lawyers, the project will be put through by the next legislature, and its passage will remove a blot on the Florida escutcheon.”—*Daytona Beach News-Journal*, March 28, 1930.

Which Will Be The Next?



The Four Black States Have No Compensation Law

Arkansas, Florida and South Carolina—three of the four black states—meet in regular legislative session in 1931. In each of these states at the last session, workmen's compensation was a leading issue; but carefully considered bills which received strong support were defeated, due to the persistent opposition of certain special interests. Will these three legislatures in 1931 recognize that the welfare of industry as well as workers and the whole community demands the prompt enactment of a just and reasonable workmen's compensation law?

Southern Shadows

“IN the great growth of the Southern textile industry the factors most important as well as most widely advertised have been the advantage of cheaper labor and freedom from union rules and restrictions,” says an article in *The Boston Herald*, reprinted in *The Staunton (Va.) News-Leader*. “Glance through the United States Department of Labor publications and you will find that in North Carolina more than 125,000 children are engaged in gainful occupations, that they may be employed for sixty and sixty-five hours a week, and that in these other states there is no workmen's compensation law for man, woman or child. Nor is there any compulsory insurance or allowance for medical service. Such are the shadows on Southern labor.”

Longshoremen's Accident Compensation in Louisiana¹

By LETUS N. CROWELL

Deputy Commissioner of the United States Employees' Compensation Commission

IT is a pleasure to attend this Twenty-third Annual Meeting of the American Association for Labor Legislation to discuss briefly the provision made by Congress in the Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927, for the relief of maritime workers.

It has been my privilege since the law took effect to be charged as deputy commissioner with the details of the administration of that law in the seventh compensation district, included in which is the State of Louisiana, under the supervision and direction of the United States Employees' Compensation Commission, already charged with the administration of the compensation law of 1916 for civil employees of the United States government, and now having in addition the District of Columbia's Workmen's Compensation Act of 1928.

Need of Federal Law

From the days of small vessels when the members of the crew did the loading and unloading and much of the repairing of the vessel and its tackle, to the present day when vessels are much larger and the machinery and apparatus more complicated, there has been witnessed a gradual change in the matters of handling cargo and repairs. Most vessels now can not carry crews large enough or expert enough to meet modern conditions. Thus the practice developed of employing stevedores or longshoremen to load and unload.

Frequently the work goes on continuously twenty-four hours a day in order that a ship may be speedily unloaded, a new cargo takes the place of the old, and it may start on another voyage. Thus

¹ Extracts from address before the Annual Meeting of the American Association for Labor Legislation at New Orleans, December 28, 1929.

arose also the necessity for a class of men sometimes called harbor workers. When a vessel comes to port men of skilled trades are employed in making necessary repairs and other men in furnishing or supplying it to make ready quickly for another voyage. These classes of men, whether engaged in loading or unloading cargo or otherwise servicing the vessel, were not provided for by any plan of compensation in place of a damage suit.

Two efforts of Congress to allow them the benefits of state workmen's compensation laws were held to be unconstitutional because injuries occurring upon navigable waters can not be covered by state laws but the remedy is exclusively within the admiralty and maritime jurisdiction. As these laws passed in 1917 and 1922 were unconstitutional, the Supreme Court suggested that maritime workers could be provided for by a compensation law if Congress saw fit to enact one. This resulted in the passage of the Longshoremen's Act in 1927.

Liberal Provisions

With possibly one exception there is no workmen's compensation law that covers as adequately and with benefits as liberal as the Longshoremen's Act does these maritime workers. The benefit to the insured employer is a substantial one in that the remedy of an injured employee is exclusively under this law without any right to sue the employer for damages. The benefits to the injured employee are fairly liberal and, what is of greater interest, they are certain as against the uncertain results of a law suit. The procedure is such that the relief is prompt and trouble and expense to the claimant almost wholly avoided.

The law requiring employers to report all injuries, including injuries involving no loss of time and those causing disability of seven days and less for which no compensation is payable, results in a record being established in the district offices of substantially all cases of injury. When the employee also reports the injury the foundation is laid in the official records for the proper consideration of a claim should there be in the future a disability resulting from the injury.

Prompt Payments

It has been found in the administration of the law that the provision requiring the first installment of compensation to be due on

the fourteenth day after the employer has knowledge of the injury or death and without awaiting an award or any action by the deputy commissioner, has been a valuable feature and has resulted in prompt payment of compensation to the injured and to beneficiaries in death cases.

The cooperation of insurance carriers in the matter of prompt payment has been an important factor in securing the beneficial purpose of caring for the injured at the time when money compensation is most needed. The immediate and continuous furnishing of all necessary medical and hospital services has been of great value to employees and with rare exceptions has been promptly and adequately furnished by carriers, thus hastening the recovery of the injured and his restoration to work with benefit to himself and the carrier as well.

The purpose of the law to have compensation paid promptly without an award is further secured by requiring payment of ten per cent additional compensation when there is delay by the carrier unless the delay is excused by the deputy commissioner for reasons stated. If, however, there has been an award of compensation, made by a compensation order issued by a deputy commissioner, and there is a delay in payment of over ten days the carrier is required to pay 20 per cent additional compensation unless the order is to be reviewed by application to the court. After final payment of compensation the carrier is required to file a report in the form prescribed by the commission showing all compensation paid, and the accuracy of this report is checked by the deputy commissioner.

The system of paying compensation without action by the deputy commissioner has resulted in providing so promptly the benefits to which the injured employee is entitled that the filing of a claim for compensation is the exception.

Informal Hearings

A hearing before the deputy commissioner, which shall be held on application of a party in interest and without such application if the deputy commissioner thinks it necessary, is a proceeding before an administrative officer and does not resemble a proceeding in a court. A deputy commissioner is not bound by common law or statutory rules of evidence or by technical or formal rules of procedure outside of the rules in this law. The deputy commissioner is to conduct a hearing in a manner to best ascertain the rights of the parties.

In a trial in court before a jury many questions of incompetent, immaterial, or irrelevant testimony arise but in hearings before a deputy commissioner all evidence offered in good faith is received, and motions and other proceedings regarding admission or rejection of evidence are not passed upon by the deputy commissioner. In the decision of the case before him and in formulating his finding of facts in a compensation order he considers all testimony and evidence that is applicable in the consideration of the merits of a claim. All hearings are public and required to be stenographically reported so that the record on file will be complete.

Accident Prevention

In the prevention of accidents and in safety work generally the commission has authority to make studies and investigations, and to make reports to the Congress and to employers and carriers containing such recommendations as it may deem proper in the prevention of injuries.

Such safety work as the commission has been able to undertake has been carried on by one safety engineer in cooperation with the deputy commissioners in the several ports and has been productive of much good, with the prospect that the continuation and expansion of the work will have an important bearing upon the number of accidents happening among longshoremen and harbor workers. A very practical result of the commission's cooperation with employers in safety work has been a substantial reduction in more than one port of the insurance rate charged employers with large forces engaged in loading and unloading vessels.

Practical Results

A word as to the extent of the coverage, the results obtained, and the advantages of the plan of administration prescribed. A few figures will be given for the first two fiscal years ended June 30, 1929.

In all compensation districts in 1928 there were reported 31,988 injuries, including 178 fatal injuries; and in 1929, 38,052 injuries with 183 fatalities, a total of 70,040 injuries. In the seventh compensation district alone there were 2,445 injuries of which 18 were fatal in 1928, and 3,439 injuries of which 23 were fatal in 1929. Of cases reported in which compensation was paid there were 11,268

in 1928, and 16,740 in 1929, while in this district alone there were 1,039 and 1,487.

Statistics are not available to show the exact number of compensation orders issued, but it can be said that compensation is paid without awaiting an award in at least 95 out of each 100 cases, indicating a form of administration resulting in what may be said to be automatic operation in nearly all cases. So far as reported for statistical purposes, the compensation paid in non-fatal cases throughout the country in 1928 was \$1,328,088 and in 1929 was \$1,644,363. In this seventh compensation district the amounts were \$43,876 in 1928, and \$75,208 in 1929. It is generally understood when compensation laws are discussed that many cases continue beyond the year and therefore in each year for a number of years the amounts as paid as compensation will increase even if there be no increase in the number of injuries.

Of considerable interest is the record that in non-fatal closed cases it is found that the average time in 1929 elapsing between the date of injury and the date of first payment of compensation was 19 days. These averages fairly represent the time between injury and payment in this compensation district. The figures show promptness in affording relief to the injured and evidence success under a law designed for that purpose, and under a system of administration planned and operated to make that purpose effective.



Health of Manufactured Product

“IN industry, as often in government, more attention is still paid to machines than to men. Employers can do prodigious feats in the control of atmospheric conditions when they affect a product. Thus, we read in one report, ‘that while the air is purified for sanitary reasons (in candy making), it is believed that indirectly the workers’ health is benefited thereby.’ And, in another, ‘Steel sheets are stored in a large warehouse so ventilated that there is only a slight variation in either temperature or humidity.’

“Fortunate the worker who can be employed in a factory which has such a high regard for the health of a manufactured product!”—*Frances Perkins, New York State Industrial Commissioner.*

Meeting a Compensation Medical Problem

By CORNELIUS COCHRANE

IN July, 1927, a longshoreman at work on a ship in the port of New York fell down a hatch. Insurance company doctors reported a serious foot injury for which compensation was paid under the terms of the Longshoremen's Act until December, when the man was discharged by the carrier as able to work. Deputy Commissioner Locke in charge of the New York district ordered additional treatment upon recommendation of the official physician following examination and compensation was paid until April when the carrier suspended payments. The claimant, declaring he was still unable to work, was given a complete physical examination by the commissioner's medical staff on June 30, 1928 and was found to have a broken back.

The records of the department disclose scores of similar cases of inaccurate statements of physical facts or incorrect diagnoses by certain company doctors, many less patent and therefore infinitely more difficult to uncover. These cases illustrate in part one of the most perplexing problems with which compensation administrators are faced: the problem of accurately determining the degree of disability suffered by a workman as a result of an occupational injury.

Compensation administrators are for the most part laymen; they are not conversant with the medical aspects of the cases because, as a general rule, they are not physicians themselves. They are therefore obliged to depend primarily upon the findings of experienced medical men whose function should be to find the facts as they actually exist. The provisions of the law can thereupon be readily applied by the administrative office.

An inaccurate estimate of disability, however, will naturally result in an inequitable award. Doctors sometimes make mistakes and honest opinions will perhaps vary in difficult and obscure cases. But when it can be shown that a physician misrepresents the facts and findings in case after case it is possible to eliminate this type of practitioner from compensation work.

Misrepresentation by Physicians

Ceaseless vigilance over a period of a year and a half has disclosed the fact that there are about thirty doctors treating long-shoremen cases in the New York district who repeatedly distort the findings to favor the employer. Certain carriers invariably employ this type of physician.

Misrepresentation on the part of such a practitioner is accomplished in many subtle ways. He will minimize the severity of the accident—thus, for example, report a man as struck by a plank instead of a draft; he will go to extreme lengths to keep the man out of the hospital because a hospital case will be regarded as serious. He will fail to give all the facts or misinterpret an X-ray picture. Photographs are on record reported as negative by the carrier physician which even to the layman reveal chip fractures of vertebrae or a fractured rib. Again, he may recite the actual physical condition fairly accurately but will make an incorrect diagnosis.

Protective Measures Adopted

This problem does not lend itself to a ready solution. One method adopted by Commissioner Locke in the effort to correct such conditions is to order the injured man, immediately upon his discharge by the carrier's doctor, to the Marine Hospital for re-examination. If further treatment is found to be necessary the man is sent back to the carrier's physician for the additional medical care, thereby demonstrating to the carrier as well as the physician himself that the man was discharged before he was sufficiently recovered. Repeated checking-up of this sort of course has a salutary effect. In some cases it can be shown that the doctor is either incompetent or guilty of gross carelessness. On one occasion an insurance company discharged its entire medical staff upon evidence submitted by the deputy commissioner that X-rays which revealed serious injuries had been reported negative.

This weeding out process is accomplishing tangible results. As compared with a year ago, less than a third as many injured men are being sent back to the carrier's doctors for additional treatment and medical examiners at the Marine Hospital are discharging twice as many men as having received ample treatment.

Recently, a test case of supreme importance arose out of the refusal of a carrier to accept the recommendation of the official

specialist which was in conflict with the opinion of the carrier's physicians. This controversy involved a much-disputed medical question often arising, the final decision of which would determine the disposal of a considerable number of cases already pending. At the formal hearing demanded by the carrier, the deputy commissioner called into the case as expert and impartial witnesses three of the most eminent neurologists in the district. These experts sustained the findings of the official physician. On the basis of this testimony, the deputy commissioner ruled that the medical reports of the staff specialist were "fair and proper," that his diagnosis and recommendation were "well founded and in no wise arbitrary or unreasonable;" and that the reports of the carrier's doctors "were not impartial or accurate."

The resourceful and constructive action taken by Commissioner Locke to meet a grave situation commends itself to the attention of other compensation administrators who encounter similar conditions. The medical problem is looming as one of the most serious questions in compensation law administration. It requires the earnest and thoughtful attention of all persons who are concerned with effective and proper operation of workmen's compensation.



State Compensation Fund Again Delayed in Missouri

THE Missouri proposal for the exclusive state workmen's compensation fund (Proposition No. 4 on the ballot) which was defeated by referendum vote at the November election will, it is reported, be submitted to the legislature when it convenes at Jefferson City in January, 1931.

The campaign for state fund insurance was renewed in Missouri following serious charges brought by the State Federation of Labor that high power adjusters on the payrolls of the private stock insurance companies were employing "underhand" tactics and were endeavoring to force injured workmen to accept settlements for less than they were entitled to receive.¹

¹ See "Experience Creates New Appeal for Missouri State Fund," *AMERICAN LABOR LEGISLATION REVIEW*, Vol. XX, No. 3, September, 1930, pp. 309-312.

Upon the filing of the initiative state fund petition, the insurance companies with the slogan: "Keep the State Out of Business", proceeded to bombard the voters of the state with propaganda purporting to show dire results if this "ill-conceived socialistic experiment" should be adopted. (State compensation funds are in successful operation in seventeen states where years of experience have demonstrated their proved advantages.) The drive against the proposal in St. Louis was conducted by a local insurance organization known as the Great and Jovial Order of the Cat's Meow. Elsewhere in the state the intensive campaign to defeat Proposition No. 4 was directed by the "Keep the State Out of Business Committee" headed by the manager of the Fire Underwriters' Association of St. Louis.

Typical of the propaganda which flooded the state was an unsigned broadside addressed "Mr. Taxpayer. * * * Do you know that if Proposition 4 is adopted, campaigns will be started to have the State go into other lines of Business?"

The St. Louis *Post-Dispatch* in an editorial on November 5 declared that the voters had not been told the truth as to the merits of the state fund principle and that the insurance companies had won the fight by false pretenses. "The insurance companies," the editorial charged, "did not come out into the open under their own names at any time during the campaign, but they worked through the St. Louis and Kansas City Chambers of Commerce, the Associated Industries and other organizations which they could influence to go to bat for them. The low point of their campaign was an advertisement published in the St. Louis papers last Monday (the day before election) entitled 'Danger!' and signed only by 'Missouri Committee Keep the State out of Business.' In that they collected all of their bugaboos to frighten the voters."

On November 10, six days after the election, a new schedule of workmen's compensation insurance rates was filed with the Missouri Insurance Department by the National Council on Compensation Insurance. Under the new schedule, premium rates would range from ten to eleven per cent higher than at present. In addition to rate base increases of six per cent, a \$10 "expense constant" was to be added to the annual premium regardless of the size of the policy. Department officials estimated the increase would approximate \$700,000 a year.

Employers, whose representatives a week before were cooperating with the insurance companies to defeat the state fund, now strenuously protested against the proposed rate increases with the result that the schedule was withdrawn and an amended schedule calling for an increase of 2.4 per cent was filed. The estimated additional cost to employers under the modified manual is said to be about \$250,000 annually.

Eventually, Missouri employers will learn by experience that insuring with a state compensation fund is advantageous to them as well as to their injured workers and the community as a whole. Meanwhile the effort to secure the adoption of the state fund principle in Missouri will continue. As pointed out by the *Post-Dispatch*: "The defeat of Proposition No. 4 by no means ends the fight. It was only the first act. There will be sessions of the legislature and other elections at which this worthy proposal can be discussed. The people will meanwhile continue to learn more about the merits of the plan and the unfair practices which have driven so many other states to this reform."



Frankel Revives Health Insurance Issue

THE Committee on the Cost of Medical Care has issued a study of expenditures for medical care in workingmen's families prepared by Lee K. Frankel, a vice-president of the Metropolitan Life Insurance Company. This report concludes: "The data indicate clearly one fundamental fact, namely, that sickness is a hazard of life comparable to other hazards, such as death and accident. The latter have been provided for in our scheme of things through insurance. Loss of wages due to illness has also been provided for in many countries through insurance schemes. The cost of medical care must likewise be furnished through some such method. With the knowledge obtained as to the cost of sickness in this and in other studies now being conducted by the Committee on the Cost of Medical Care, it is hoped that a definite basis for the actuarial calculation necessary to introduce insurance methods will be arrived at. These financial calculations are in themselves comparatively simple. The real problem will be to provide systematized medical service which shall be adequate in the broadest sense. This is, in the last analysis, a problem for the medical profession and one which must be given early consideration."



Occupational Disease Compensation Succeeds in California

THE California Department of Industrial Relations in its report last February to the Governor's Council refers to the fact that many states are struggling with the problem of compensating occupational diseases. It points out that in New York and Ohio, where the unsatisfactory specific schedule method is in force, at each session of the legislature there is "pulling and hauling" when it is proposed to extend the list in order to provide more nearly adequate protection for occupational disease disability.

Leading authorities recommend that all occupational diseases be compensated as is provided in California and nine other laws including the three federal acts.¹ Experience has demonstrated its effectiveness and expediency.

The California report says:

"Many inquiries have come from other jurisdictions about the California plan. Our law provides unlimited medical, surgical and hospital treatment and full compensation for all industrial injuries, and this automatically includes diseases of industry. The word 'accident' does not appear. A dead man is just as dead whether he succumbed from a disease of his occupation or from an accident. Likewise a disability affecting the nervous system, the lungs or the brain, incapacitates just the same as does a fall from a scaffold. Industry should aid either way.

"Briefly, the California experience is that each claimant must prove his contention when there is doubt, that there has been 'no opening of the door' to all diseases, that the insurance cost is negligible and has not exceeded one per cent of the cost of all other injuries, and that preventive steps in the form of fatigue studies, good ventilation, proper humidity, air and light, and the avoidance of glare, are important factors in keeping employees fit, and thereby helping them and their employers as well."

Experience continues to demonstrate that the all-inclusive method is effective and expedient just as surely as it exposes the specific schedule plan to be unjust and inadequate.² A fundamental purpose of workmen's compensation will remain unfulfilled until all states provide compensation for all occupational diseases.

¹ See "Occupational Disease Compensation" by John B. Andrews, *AMERICAN LABOR LEGISLATION REVIEW*, Vol. XIX, No. 3, September, 1929, pp. 237-240.

² See "Occupational Disease Compensation in New York," *AMERICAN LABOR LEGISLATION REVIEW*, Vol. XX, No. 2, June, 1930, pp. 191-193.

Louisville Convention of Government Labor Officials

By ALFRED W. BRIGGS

FIFTY-SIX delegates representing seventeen state and provincial departments of labor of the United States and Canada, as well as the federal departments of labor of both these countries, were present at the seventeenth annual convention of the Association of Governmental Officials in Industry held at Louisville, Kentucky, in May.

Unemployment, uniform laws and orders, industrial safety and sanitation, and woman and child labor laws were among the topics which produced spirited discussions.

Unemployment

Paul H. Douglas, Acting Director of the Swarthmore Institute of Unemployment, discussed the extent and causes of unemployment and explained the need of a form of unemployment insurance which would encourage American industry to stabilize production. Such unemployment insurance, he said, will serve the two-fold purpose of relief and prevention. B. C. Seiple, Commissioner of Employment for the City of Cleveland, stated that American workmen average no more than ten and one-half months of work out of every twelve. Labor-saving machinery, increased efficiency in management, and industrial consolidation, he declared, are producing a situation of chronic unemployment, not only among laborers but also among white collar workers and executives. Mr. Seiple insisted that not over-production but a distribution of income which results in underconsumption is the explanation of unemployment.

The convention adopted a resolution urging the House of Representatives to enact the three unemployment bills, which had passed the United States Senate earlier in the month, providing for better employment statistics, an adequate system of federal-state employment exchanges, and the long-range planning of public works. It also adopted a resolution endorsing the American Statistical Association's program for employment and unemployment statistics.

Uniform Laws

The chaotic irregularities and inequalities which characterize the labor laws of the 48 states render enforcement difficult and produce serious confusion and general disrespect for modern labor legislation, stated Commissioner Newton Bright of Kentucky. Leifur Magnusson, Director of the Washington Branch of the official International Labor Office, suggested that the present uneven development of protective labor laws might be remedied somewhat through the formation of a national council on labor legislation in which the various private agencies interested in this subject would be represented.

Commissioner Ethelbert Stewart of the federal Bureau of Labor Statistics declared that the tendency of industries to move to states having lower standards has been greatly exaggerated. The location of American industries, he stated, is conditioned by access to raw materials and convenience to markets and not by the level of protective standards for working men and women. Several of the delegates pointed out, however, that these variations are constantly being used by manufacturers as arguments against legislation in states having higher standards.

The work of the American Standards Association in developing standard safety codes for adoption by various states was described by P. G. Agnew, Secretary of that Association. The preparation of a satisfactory safety code, he said, often requires more research and expert investigation than many states can afford. Not only does the American Standards Association offer a solution to this problem by supplying the machinery and expert information necessary for safety code development, he argued, but if the various states adopt the Association's codes instead of each state evolving a different code of its own, a highly desirable uniformity will be achieved.

Safety and Sanitation

In discussing the problems attendant upon the enforcement of regulations pertaining to safety and sanitation, James L. Gernon, Director of the New York Bureau of Inspection, pointed out that a state department of labor should not only make every effort to secure good inspectors but it should also give more careful atten-

tion to the education of new men after they have been engaged. Commenting on safety promotion work, he pointed out that plant safety contests occasionally do more harm than good. An over-zealous desire to win a contest sometimes results in accidents not being reported and injured men are thus deprived of compensation to which they are entitled.

John Roach, Assistant Commissioner of the New Jersey Department of Labor, described the evolution of the factory inspector from the policeman stage where he had the labor laws entirely in his own hands to the messenger boy stage where he merely reported his findings to headquarters. In his most developed form, however, the modern factory inspector, according to Mr. Roach, is a combination engineer and salesman—a man who has been trained in engineering, law and economics and who appreciates the dignity and importance of his place in modern industrial life.

The Ohio law under which an injured worker receives from fifteen to fifty per cent additional compensation whenever his injury resulted from his employer's violation of a safety law or regulation was explained by Thomas C. Devine, Chief of the Ohio Division of Factory Inspection. The responsibility for this extra compensation rests directly upon the employer rather than upon the state workmen's compensation insurance fund and this furnishes the employer with a strong financial inducement to comply with the regulations relating to safety and sanitation.

The problem of arousing public interest in labor law administration was discussed by John B. Andrews, Secretary of the American Association for Labor Legislation. The public is capable of becoming genuinely interested in the problems of administration and will usually do its part if the facts are brought squarely to its attention. As an illustration Dr. Andrews referred to New Jersey's change from court administration to commission administration of workmen's compensation following the publication of a report by the Association on the unsatisfactory character of the former New Jersey court administration. A second illustration was a case where a state legislature supplied the labor department with more inspectors and a larger appropriation following an investigation by the Association.

Woman and Child Labor

The need for more carefully drafted laws was set forth by Edward Seiller, Kentucky's Chief Labor Inspector, who described

some of the difficulties that had been encountered in his state because of faulty construction and vague phraseology in Kentucky's laws regulating the employment of women and children.

Frieda Miller, Director of the New York Bureau of Women in Industry, set forth a theory that has been emphasized more and more in recent years. Labor legislation, Miss Miller reasoned, is a force for the general public welfare; it protects the state as a whole and should not be viewed merely as an instrument whereby labor's rights are expanded at the expense of employers. Regulations which provide that places of employment shall be safe and sanitary are already recognized as promoting the general welfare, not only because labor constitutes a large proportion of the state's citizens but because the general public can ill afford to carry the burden of disabled workers which an unregulated industry tends to create. Less progress has been made in convincing the public that laws regulating the employment of women and children are also forces that promote the general welfare and are not merely for the benefit of those immediately involved. Nevertheless, this is gradually coming to be the accepted view for all types of labor legislation.

Next Year's Convention at Boston

Observers who have attended the annual conventions of this Association for many years have noted considerable improvement in the programs and discussions of recent conventions and have suggested that this improvement may have resulted in part from the prominent place which women have recently occupied in the management of the organization. The retiring President, Maude Swett of Wisconsin, and the Secretary, Louise Schutz of Minnesota, are certainly to be complimented on the program of the Louisville convention. Whatever the character of some of this association's earlier conventions may have been, there was no evidence that this convention was a junketing expedition.

At the close of the meeting the Association elected as President James H. H. Ballantyne, Deputy Minister of the Ontario Department of Labor. Miss Louise E. Schutz, Superintendent of the Division of Women and Children of the Minnesota Industrial Commission, was re-elected Secretary-treasurer. Boston was selected for the 1931 convention.

OLD AGE PENSIONS



MORE than one-third of the population of **Minnesota** will come under the recently enacted old age pension law as a result of the vote of Ramsey, Hennepin and St. Louis counties in November. These counties contain the state's three largest cities, Minneapolis, St. Paul and Duluth.



DOUGLAS county, which contains the city of Superior, is the **ninth Wisconsin county** to adopt old age pensions under the Wisconsin county option law.



TWENTY of the twenty-nine counties of **Utah** are paying pensions to 1,000 aged persons. The Utah law was adopted in 1929.



By the end of September, 1930, the **California** Department of Social Welfare had approved 3,855 applications for old age pensions under the state law which went into effect on January 1 of this year. There were 3,928 applications awaiting action by the department. During the month of September, 363 applications were received, 524 acted upon, and 463 approved.



BELIEVING that the recently enacted "Old Age Security Law" of **New York** is but a step in the direction of an adequate measure, Governor Roosevelt has pledged himself to improve the statute until it provides "a definite insurance system of which the worker will become a definite part as an individual the very first day that he or she starts to become a wage earner in the community."



THE research committee on social trends, organized by President Hoover in 1929 and financed for a three-year period by the Rockefeller Foundation, will include a study of old age problems in its survey of social changes.

A RECENT survey by the California State Department of Industrial Relations discloses that of the 2,808 reporting establishments, 11 per cent employing 39 per cent of the employees covered have established **age limits for employment**. The department finds that "the tendency towards such age limits is more evident in establishments which have pension plans or both group insurance and pension plans."



THE City of Baltimore will lead the way in making the **Maryland Old age pension law** effective by providing for an old age pension fund of "at least \$50,000" which, the Board of Estimates has announced, will be included in the 1931 city budget. The Maryland law, a county-option measure, was enacted in 1927, but has been inoperative due to the failure of local authorities to provide funds for the payment of pensions.



WILLIAM M. BRUCKER, who was elected governor of **Michigan** in November, has placed himself on record as strongly in favor of the enactment of an old age pension law in that state.



ACCORDING to an estimate by the State Department of Social Welfare, approximately 25,000 **New York** citizens will draw pensions averaging \$26.50 a month when the first payments are made under the new law on January first. This is less than half of the number of persons estimated by the Old Age Security Commission to be eligible for pensions in its report to the legislature in February.



1931 A Pension Year

WITH forty-four state legislatures in session, 1931 promises to be the most significant year for old age pension legislation since the framing in 1922 of the Standard Bill.¹ Labor, religious, fraternal and welfare organizations are conducting effective campaigns in many states, notably Connecticut, Rhode Island, New Jersey, Maryland, Delaware, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Iowa, Missouri, Kansas, Arkansas, Oklahoma and Washington. In three states, Delaware, New Jersey and Michigan, official commissions are studying pension needs and existing relief legislation. Alfred I. du Pont, prominent Delaware advocate of old age pensions, has been made head of the commission in that state. In Montana, Colorado and Minnesota, where county option pension legislation has been adopted, citizens are demanding state-wide compulsory measures. The trend away from the ineffective county option plan is unmistakable.

¹ See "Standard Bill for Old Age Pensions," *AMERICAN LABOR LEGISLATION REVIEW*, Vol. XVIII, No. 4, December, 1928, pp. 430-433.

The Industrial Woman Looks at Economic Old Age¹

By CAROLINE MANNING

Women's Bureau, U. S. Department of Labor

PARADOXICAL as it may sound many a young girl of 29 in search of a job suddenly discovers that she is an old woman. A glance at the help wanted columns in any newspaper shows the preference for the young girls of 18 to 21. Rarely is an applicant over 25 hired in the large telephone exchanges. Recently a personnel director who employs hundreds, even thousands of girls, in discussing the subject of age limits in hiring said that it was the firm's policy to employ only girls under 30, and that she dreaded to see an older woman enter the office. Of course, she added, "the rule is not so hard and fast but that some flexibility is possible for special cases, since fitness for the job occasionally requires an older woman, for example in the capacity of a matron."

Today girls of 25 or so have begun to realize how hard it is to get through the employment gate. The experience of Anna, aged 28 is typical. Last summer the cigar firm for which she had worked twelve years abandoned its plant to consolidate its business in the South, so Anna like all the other 200 or more girls who had been employed there, was hunting for work. The fact that she had advanced to the position of forelady was little recommendation in new places, and she soon learned that she was "too old now to get a good job." For three weeks she had work in a store, but the pay received there did not cover her room and board. For another two weeks she had work as an examiner in a hosiery mill—one of the poorest jobs there, she said, and one that offered little chance of advancement. Everywhere that she applied she was asked, "are you experienced?" but nowhere was she given a chance to become experienced. When visited she had worked only five weeks out

¹ Address, Mid-year Meeting of the American Association for Labor Legislation, in joint session with National Conference of Social Work, Boston, June 7, 1930.

of the three months since her layoff, and although as forelady she had earned \$33 a week her wages in her two subsequent jobs had been only \$8.50 and \$10 a week.

Old at Twenty-Four

A friend of Anna's also suddenly discovered when this factory closed that she too was old at 24. "I spent my youth there and here I am, knowing nothing else to do," she said, describing her efforts to find a job as follows: "Before seven o'clock dozens of girls are waiting in line. They want young girls and seems like hundreds answer the ads. Those girls work for nothing to get a job, even \$7 a week. But I hunt all over and put my name in every place I pass, stores, mills, any place, but they all want experienced girls and young girls."

The following are comments of other girls out of work, also "old" before they were 30. "Unless you have a friend it is no use to ask. Only younger girls get jobs now," one said. Another, just 27, who had been turned down at several plants remarked, "Always my luck to find lots of others hunting at the places where I went. Younger girls seemed to get the places, and I couldn't afford to work for \$12 a week."

An alert attractive girl of 29 had hesitated to apply at a large radio plant because of its policy of hiring only younger girls, as she was afraid she was too old. She tried to get work in New York City, Jersey City, Elizabeth, Newark, but failing everywhere she finally applied at a radio factory. However, she falsified her age to get the job there.

Another woman of 32 was refused a job at a radio plant because she was too old although she had claimed she was only 28. "I lied but I didn't lie enough," she said. A woman of 29 was ready with an explanation: "When you go looking for work, they all want kids."

When women at the border line of 30 have trouble getting jobs because of age, the problem is naturally more acute for women in their thirties who must find work as the following comments picked up at random help to illustrate: "The ads ask for girls 16 to 24;" "Told at the silk mill they prefer girls 16 to 18;" "When you are old (39) nobody wants you in factories;" "Absolutely no work except housework for a woman my age;" "People look you over and if

you aren't presentable and young looking you never get a job." An active woman of 38 received a brutally frank rebuff from one superintendent who pointing to a sign for help wanted said, "It reads 'girls wanted,' not old women."

Not Wanted at Forty

To the women of over 40 forced to seek for a job, the situation seems almost hopeless. Listen to some of their comments: "They'd ask 'how old' and then say they have nothing for one of my age." "The older I get the worse times get." "I know I'm old but not old enough for this" (referring to her dependency upon her married daughter).

"My husband and I seem to have passed the age when we are expected to live." (The speaker was 46.)

A foreign born woman of 53 who had spent over 28 years in restaurant kitchens in this country said: "The bosses all the time holler, 'too old, I want young girls, young girls.' When we are young and strong it is all right in America, but we wear out pretty soon, then what? In old country better for old people, they can stay on farm. Both of us old now, and no one wants old people in America."

Without question there is evidence that beyond the age of 25 or 30, industrial employment becomes increasingly precarious. Although women as young as 25 complain of the age barrier in seeking new jobs it has not yet been proved at what definite age maximum efficiency is reached or that production automatically decreases upon reaching a certain birthday. Industry is acting upon the assumption that you cannot teach an old dog new tricks and has not used practical tests to demonstrate fitness for simple jobs; nor has it proved that other qualities may not compensate for loss of speed.

But if a woman of 30 can learn to run an airplane or if a woman of 50 can learn to drive an automobile she certainly should be given a chance to demonstrate the fact that she can watch an automatic weighing machine, or pull the lever that starts or stops a wrapping machine, for such modern equipment demands little more than just this from the girl who is merely the tender of a machine.



California is Careless

THE governor's committee of investigation in California, following the explosions which killed 24 miners from June 8 to July 17, as noted in our September REVIEW, finds there was failure to exercise reasonable precautions:

"The State of California is, at least in part, responsible for this failure, in that it has not made available to the proper governmental agencies the inspecting force required to provide adequate inspection and advice looking to safe operation. This conclusion is substantiated not only by the occurrence of these disasters, but by the fact that the compensation insurance rates are higher for mining and tunneling than for most other industries in the state. This high financial cost of compensation is not only deterrent to industry but the cost in death and human suffering is very much more deplorable. The best way for reducing accidents and for making the cost of compensation insurance more reasonable is to bring about better cooperation between the industry and the authorities. If inspection is welcomed and the advice offered is followed, our authorities, with adequate personnel, could secure better results."

Although coal mining involves much greater hazard to workmen than metal mining, California with 6,500 persons employed in 450 metal mines and nearly 2,500 more in tunneling work, has a record for fatalities that is even worse. And for a total of nearly 9,000 workmen, under these hazardous conditions, California "has but one man to act as inspector and safety adviser for all mining, tunneling and dredging work; and it is manifest that this inspection is grossly inadequate," says the Governor's committee. A ten-fold increase in personnel with sufficient salaries to attract a high type of inspector "for an unending process of education and cooperation," and ample funds for their travel and stenographic help, is recommended to the state as "not a particle more than its plain duty."

The California legislature meets in January. We will report later.

More Mine Catastrophes—Oklahoma and Ohio

A GAIN, near McAlester, Oklahoma, where 59 coal miners were killed less than a year ago, an explosion on October 27 snuffed out 30 additional lives. "No attempt was made to identify them," news despatches report. It will be remembered that

there is no workmen's compensation in Oklahoma in cases where the accident is so serious as to kill the victim. And despite repeated wholesale killing of miners in that state, public sentiment is at so low an ebb that an effort to get up a petition to put the matter on the ballot at the November election failed for lack of sufficient signatures. Apparently Oklahomans prefer a charity dole; the Red Cross announced that it would furnish a \$70 funeral and bury the victims without any cost to the dependent families!

Less than five weeks later, the Associated Press in reporting the killing of 15 men and the injuring of 2 others by an explosion in the Hailey-Ola Coal Company's No. 5 mine at Lutie, Oklahoma, on November 29, pointed out that the lives of 38 other miners were saved, in the opinion of veteran miners, only because other sections of the mine were heavily rock dusted which limited the extent of the explosion. All except two of the dead miners were married and most of them had large families. Since the Oklahoma accident compensation law makes no provision for fatal cases, the whole country, through the Red Cross, will continue to dole out private charity to widows and dependent children of the killed men. The Oklahoma legislature, which meets in January, despite a peculiar provision of the state constitution, could amend its workmen's compensation law as certain other states have done and end this disgraceful condition.

At Millfield, Ohio, on November 5, an explosion in the Sunday Creek Coal Company's No. 6 mine killed 82 miners and injured about 20 more. The management—"the largest operator in the Eastern Ohio coal field"—had used no rock dust and although the mine had been pronounced gaseous the workers were permitted to use open-flame lamps. The Ohio State Fund has commenced to pay out upwards of half a million dollars in accident compensation to the dependents of those killed. This is a reminder to Ohio that further temporizing with weak compromises "at the discretion" of local mine inspectors is expensive. The Ohio legislature, with a new governor, furnishes opportunity in January for adequate action.



The Buckeye Coal and Coke Company of West Virginia is added as of November to the **Honor Roll** of companies using rock dust.

"No Law Was Violated"

When mine catastrophes have occurred in this country little attempt has been made to assess responsibility. It has appeared to mining engineers more helpful merely to suggest measures designed to prevent future accidents. But the continuance of needless coal dust explosions suggests that possibly this is a mistaken policy and that perhaps there should be some independent public accounting. There is such a thing in America as the police power of the state. The smug repetition, following needless disasters, of the easy phrase "No law was violated" should not in the interest of the general welfare be tolerated indefinitely.



—Milwaukee Leader

Another Opportunity for a Modern St. George

Laboratory Technicians and the Public Health

By GEORGE H. TRAFTON

WHEN you are ill and go to a physician or a hospital, who makes the diagnosis?

Most people will answer without hesitation: "The physician, of course!" Today, however, that is often not the whole truth. A more complete reply would be: "The physician, *with the assistance of the laboratory technician.*" But most people do not even know of the existence of this newcomer whose role has become so important in the practice of medicine.

The laboratory technician is a laboratory worker who makes analyses from which the physician obtains exact information concerning the patient's physical condition to confirm and make more accurate the diagnosis. The technician analyzes tissues, excretions and secretions of the human body for clues which will indicate the nature of the illness and guide the physician in its treatment; examines specimens for the presence of disease germs; and prepares vaccines, toxins and anti-toxins. The results obtained in the laboratory are now, more than ever before, being used by physicians, who increasingly are applying exact scientific analysis in their work. The report from the laboratory is sometimes a deciding factor in the diagnosis and treatment. Moreover, laboratory analyses frequently are important in determining just awards in accordance with the nature of the disability in the administration of state workmen's compensation laws.

It is customary to give careful attention to the qualifications of one's physician. Few people would care to engage a physician who was without scientific training. Most people would not choose to delegate the selection of their doctor to a third party, so important do they consider his character and ability. The selection of the laboratory technician, however, is always made by the physician, the hospital, or the commercial laboratory patronized by the physician. That this selection shall be made with care is a matter of considerable importance to the patient. That in many cases it is not so made is

the charge now being made by the Association of Laboratory Technicians, an organization of technicians in New York City.

The organized technicians declare that there are laboratory technicians making blood tests to determine whether or not patients have anemia, venereal disease, and diabetes, who have no understanding of hematology, serology, or blood chemistry; that there are technicians making tests for the bacteria of typhoid, tuberculosis and diphtheria who have no foundation in bacteriology; and that there are also technicians making chemical analyses in medical laboratories who do not understand even the elements of chemistry. Such lack of training in those sciences upon which intelligent and accurate clinical laboratory work depends, results, according to the technician's association, in an incompetence on the part of many laboratory technicians which is a menace to public health.

This situation undoubtedly has developed because of the recent arrival of the technician in the field of medicine. The appeal to the laboratory in the treatment of disease is part of the current progress of medical science. This progress in method, however, has not been accompanied by provision for the training and careful selection of competent laboratory technicians. Courses in laboratory technique are to be found in few universities; and few hospitals or commercial laboratories give systematic training to new recruits in this work. It is surprising and not a little disturbing that the medical profession has not given more consideration to this problem and to the conditions that have resulted.

Technicians in New York City

A majority of the laboratory technicians in New York City are women, most of whom have graduated from high school, and who, in some cases, have taken a year or two of college grade study either before or after entering the laboratory. Having obtained a job as helper in a medical laboratory, they have gradually acquired training in the mechanics of laboratory technique with the aid of the more experienced technicians with whom they have worked. Frequently the training acquired is highly specialized, and although the technician may be competent to make a particular type of analysis, she may be entirely unfitted in other branches of laboratory technique which she may be called upon to perform. True, an intelligent person with experience can do some of the work of the laboratory; in this the technician's work is no different from most branches

of scientific and professional work. But the Technicians point out that real competence in laboratory technique calls for more training than many technicians possess.

The limited background of the laboratory technician is reflected in the salaries received by these workers. A recent survey of the situation in ten leading hospitals in New York City shows that the salaries of the 48 technicians employed by those hospitals averaged \$125 a month. They range from as low as \$65 a month to a maximum of \$215 a month. Only nine of the 48 received more than \$150 a month, while twelve received less than \$100 a month. These low salaries are not offset by opportunities for advancement, because as a rule laboratory technique as now organized does not lead to any other profession.

The Association of Laboratory Technicians contends that the medical profession has not recognized the urgent need for higher standards of training and competence in laboratory technique. This failure, it is asserted, is sufficiently serious to make necessary public action to establish by law minimum qualification standards for laboratory technicians.

A Licensing Law

A movement to require the examination, registration, and licensing of laboratory technicians in New York State has therefore been launched by the Technicians. This movement has resulted from their recognition that incompetence among laboratory technicians is a serious menace to the public, and also from a realization that the exclusion of unqualified persons from the laboratory is necessary in order to improve the scientific and economic standing of their profession.

On the initiative of the Technicians, who appealed for assistance to the American Association for Labor Legislation, a carefully drafted bill was introduced (Assembly Int. 2084) by Assemblyman Moffat near the close of the 1930 New York legislature and will again be introduced at the 1931 session. Under the provisions of this bill, every laboratory technician would be required to hold a certificate issued by a state board of examiners indicating that he had passed an examination to the satisfaction of the board. The board of examiners would be required to admit to examination any person who is of good moral character, who has had a high school education, and who has had at least three years of college training

in basic sciences and laboratory technique. Employment of a person in this type of work who is not so licensed would be punishable as a misdemeanor.

It is of concern to the public that laboratory technicians shall be competent. As the reports of laboratory findings continue to pay an increasingly vital part in the discovery and treatment of disease, public health as well as the welfare of individuals will become more and more dependent upon the competence of the laboratory workers. The hospitals and the medical profession as a whole have not dealt adequately with this problem. The movement for higher standards has awaited the pioneering work of the technicians themselves. It is believed that the interests of the public, and ultimately the best interests of the medical profession and the hospitals as well, not only in New York State but also in other states, will be served by the enactment of such protective legislation.

New Secretary of Labor

PRESIDENT HOOVER, on November 28, announced the appointment of William N. Doak, legislative representative of the Brotherhood of Railway Trainmen, a conservative Republican who supported him vigorously in the 1928 political campaign, as Secretary of Labor. President Green of the American Federation of Labor immediately denounced this appointment as not representative of the American labor movement while many national organizations of women that had urged Mr. Hoover to appoint Grace Abbott were keenly disappointed. Mr. Doak began his railroad career switching box-cars at Bluefield, West Virginia. He is an earnest student of labor problems and distinctly cooperative in spirit.

White House Conference

The upshot of the Hoover Child Health Conference, which after many months of study brought together 141 reports from more than 175 sub-committees, appears to be a continuation committee to be appointed later by President Hoover and a suggestion for the establishment of local child-welfare conferences throughout the country. Meanwhile, what has happened to the promised federal maternity protection legislation? And is the Children's Bureau to be permitted to function without emasculation?

Growth of Seven Day Week in Steel Industry

By JOHN A. FITCH

New York School of Social Work

(Editor's Note: Mr. Fitch, who is author of "The Steel Worker" and of important articles based upon repeated first hand investigations of the long work day and week in the steel industry, was chairman of the American Association for Labor Legislation's special committee on one day rest in seven, which drew up the Standard Bill for state legislation on that subject. His comments on the results of the Federal government's most recent study of hours of work in the steel industry are therefore of special interest to our readers.)

THE steel industry, generally supposed to have adopted modern industrial practice in 1923 with respect to working hours, is still in the rear guard and facing backward. The U. S. Bureau of Labor Statistics makes this clear in a recent bulletin.¹ Data taken from the books of the steel companies by agents of the Bureau show that the 8-hour day has not become the practice and that **the number of men working seven days a week has increased since 1923 and was greater in 1929 than in 1926.**

The report shows that the 12-hour day was reduced to a minimum seven years ago. The blast furnace department which still has the largest proportion of 12-hour men—11 per cent in 1929—had 69 per cent of its workers on that schedule in 1922. But the change meant a great increase in the number of men working nine and ten hours, and a moderate increase in the number of 8-hour jobs. The Bessemer converter department, where the 8-hour jobs numbered 11 per cent in 1922, had 43 per cent on 8-hours in 1929. In the other departments, outside of sheet and tin plate mills which have always had a preponderance of 8-hour jobs, 30 per cent is the highest limit for the 8-hour day.

But the most noteworthy change since 1923 has been in the length of the working week. Daily hours of labor were reduced in that year without doubt. At the same time in every department of steel making, except plate mills and bar mills, the six day week

¹ Bulletin, No. 513. "Wages and Hours of Labor in the Iron and Steel Industry," 1929.

declined and everywhere but in the Bessemer department and in tin plate mills the **seven-day week increased**.

In open-hearth furnaces, the percentage of seven-day week employes jumped from 27 in 1922 to 66 in 1929. During the same period the percentage of such workers in blast furnaces increased from 29 to 54; in blooming mills, from 18 to 31; in plate mills, from 9 to 10; in standard rail mills, from 11 to 20; and in bar mills, from 1 to 8. The Bureau's bulletin states that only one of these departments, namely, the blast furnace, is necessarily continuous in its operation. And, of course, even in this case, as in all continuous processes, **the seven-day week can be avoided by a rotation of shifts.**

Even more significant is the fact that there is a continuing tendency toward the longer working week. In every one of these departments there were more employes working seven days a week in 1929 than in 1926, the last previous year for which figures were secured. Altogether, 25 per cent of the 71,000 workers covered in the study were on the job every day in the week. If, in addition to these, we count the men who worked seven days every third week, two weeks out of every three or every alternate week, we find that the seven-day week affects altogether 42 per cent of the steel workers whose work records were examined.



“Burial Insurance”

THE worst abuses in the life-insurance business occur in the field of industrial insurance, which includes only those small individual policies on which payments are made weekly and monthly. To call them life-insurance policies at all is a misrepresentation, because they are really burial-insurance policies, but they comprise a substantial part of the one hundred billions of ‘life insurance’ totals. Two companies alone, the Prudential and the Metropolitan, carry twelve billions in industrial insurance, with average policies of \$214 and \$169 respectively, paid for in tiny dribblets of five cents a week and up. The overhead cost of collecting such insurance payments is prodigious, and it is precisely in this field that the victims can least afford to pay a large overhead.—*The Nation*.



—Miami News

Another Inequality

Legal prohibition of the inhuman seven day week, which is still prevalent in many industries, has been upheld by the courts, and a few states have enacted one-day-of-rest-in-seven laws based upon the Standard Bill drafted by the American Association for Labor Legislation.



INTERNATIONAL LABOR LEGISLATION

At the first International Congress of the Chemical Trades, held in Mannheim-Ludwigshafen in October, much of the discussion was concerned with the hazards of the chemical industries. A resolution was adopted favoring an increase in the number of shifts in continuous process work, against the employment of women in extra-hazardous occupations, and for the extension of workmen's compensation to all illnesses arising from the use of chemicals.



RESOLUTIONS of the International Confederation of Professional Workers adopted at their London meeting in September declared that **professional workers** were subject to the same hazards as manual workers and needed the protection of compensation insurance for accident and disease. The organization also went on record as favoring the abolition of private fee-charging employment agencies.



A GREAT loss to the cause of international labor legislation is the death of **Louis Varlez** on October 20 at Geneva, Switzerland. Dr. Varlez, as exponent of the Ghent system of unemployment insurance, as secretary of the International Association on Unemployment and in recent years as specialist in immigration problems at the official International Labor Office at Geneva, contributed much to the scientific effort for social reform.



THE government of Liberia has announced that in addition to freeing all the domestic slaves of the native tribes, it has abolished **forced recruiting** for foreign labor contracts. It promises also that it will no longer allow a tribesman to pledge a member of his family as security for a loan. This action follows close upon the report of an international inquiry commission to which Dr. Charles Johnson was appointed by the United States.

EMIGRATION to the colonies from Great Britain as a means of alleviating unemployment distress has received much attention in that country since the war. But from Canada comes a report that **stranded British immigrants**, penniless and able to exist only through charity, are clamoring to go home. For these new arrivals, conditions in Canada seem to be quite as bad as in England.



BELGIUM has greatly extended her system of **family allowances** by an act passed in August of this year. The act requires all employers, with few exceptions, to become members in a fund for the payment of allowances and provides for a state subsidy in addition to employers' contributions which shall be used only for payments in respect to third and subsequent children.



WORKERS in South Africa take time out for **afternoon tea** according to the annual report of the chief inspector of factories of the Union of South Africa. It is claimed that a considerable increase in efficiency is the result.



BECAUSE of the increase in **unemployment**, the Japanese Government has established a special Parliamentary Commission on Ways and Means of Preventing and Relieving Unemployment.



THE City of Osaka, Japan, has inaugurated on its own initiative the system of **unemployment insurance** formulated by the Social Affairs Bureau of the Home Office at Tokyo. It is estimated that 500,000 yen (\$250,000) will be necessary to start the new insurance plan, which will be limited to persons who have worked at a given place for eight years.



Governing Body of I. L. O. Holds Fiftieth Session

THE fiftieth session of the Governing Body of the official International Labor Office was held in Brussels in October. Among other matters, it was decided to place the question of fee-charging employment agencies on the agenda of the 1932 official International Labor Conference. Other questions provisionally selected for the 1932 Conference were insurance against invalidity, old age and death, holidays with pay, and unemployment insurance.

In view of the seriousness of unemployment, the Governing Body voted to enlarge the unemployment research program of the official International Labor Office. It will include "a thorough study of the principal causes of unemployment, in particular tariff competition between states, the unsatisfactory distribution of capital and raw materials, the unsatisfactory distribution of national wealth between the various classes of the population, the difficulty of adapting production to the requirements of consumption, the development of new industries, and changes in industrial technique."



—New Orleans Tribune

He'll Die a Natural Death Yet

The House at Washington has repeatedly failed to adopt the Norris Resolution to abolish the short or "lame duck" session of Congress, although five times this action has been voted by the Senate. House leaders have so often blocked this proposal that the pessimistic view of the New Orleans cartoonist is not altogether unjustified. The American Association for Labor Legislation believes that the lame duck session should be abolished and will continue to urge the appropriate action by Congress.¹

¹ See AMERICAN LABOR LEGISLATION REVIEW, Volume XVIII, No. 1, March, 1927, p. 33; Volume XVIII, No. 4, December, 1928, p. 398; Volume XX, No. 2, June, 1930, p. 219.

Labor Legislation of 1930

I. Analysis by Subjects and by States

THE labor laws enacted by the nine states and two insular possessions which held regular sessions and those that held special sessions, together with the labor laws enacted by the Seventy-first Congress, second session, are herewith summarized in alphabetical order by subjects and by states, with chapter references to the session law volumes. (Complete session law volume is not available for the Philippines.)

Miscellaneous Legislation

Massachusetts.—The department of labor is directed to investigate the circumstances of the purchase of stock by employees in the so-called cooperative shoe shops, and report to the legislature by December 1, 1930. (C. 30, Resolve.)

Porto Rico.—Employers interfering in any way with the right of their employees to freedom in voting will be fined from \$500 to \$5,000 or imprisoned from six months to one year. (No. 47.)

Individual Bargaining

1. PAYMENT OF WAGES

Porto Rico.—Upon being discharged without just cause and without at least fifteen days' notice, employees are entitled to one month's, one fortnight's or one week's salary, according to the basis of salary payment. Commercial shop clerks or factors covered by the code of commerce are excluded. (No. 43.)

2. MECHANICS' LIENS AND WAGE PREFERENCE

New Jersey.—Discharges of mechanics' lien claims must contain description of property. (C. 164.) Mechanics' lien law is amended. (C. 212.)

New York.—Insurance proceeds payable to owners of real property shall be liable for mechanics' liens demands. If claimant has no valid lien the owner or any other party in interest may appeal to court for a summary discharge of record of alleged lien. When a contractor has to his credit with the state or a municipal corporation money by reason of an estimate due him, the payment of which has been withheld because of notice of lien, he may apply for an order directing retention of amount in excess of that claimed in notice of lien. Liens against an amount due a contractor from the state or a municipal corporation may be cancelled by the supreme court. Funds received by a contractor for a public improvement, or from an owner for the improvement of real property, are declared trust funds, to be applied

first to the payment of claims; for diverting of funds, contractor will be punishable for larceny. Liens wilfully exaggerated are void. (C. 859.)

Virginia.—Lienors in mechanics' lien cases are authorized to make partial marginal releases of property covered by such lien, as provided. (C. 59.) Law regulating liens of farmers for advances to laborers is amended. (C. 443.)

Collective Bargaining

1. TRADE DISPUTES

New York.—Injunctions may henceforth be granted only upon such notice as the court or judge may direct. (C. 378.)

Minimum Wage

1. PUBLIC WORK

New York.—For wages to workers employed in the elimination of grade crossings, see Maximum Hours, p. 462.

Hours

1. MAXIMUM HOURS

(1) PUBLIC WORKS

New York.—In all work upon the elimination of railroad grade crossings paid for in any part by the state or its civil divisions, laborers, workmen or mechanics shall not work more than eight hours a day except in extraordinary emergency, and wages shall be not less than the prevailing rate. Appeal from any order of the industrial commissioner affecting wages or hours may be made by application for certiorari. For non-compliance with order after it has been confirmed penalty will be fine of \$500 or imprisonment for not more than 30 days for first offense; and for second offense, fine of \$1,000, imprisonment for not more than 90 days, or both, and forfeiture of payment by the state for any work done. (C. 804.)

(2) PRIVATE EMPLOYMENT

Louisiana.—Maximum hours of labor for women are reduced to nine a day and fifty-four a week. Women working in mercantile establishments or restaurants outside of any municipality, or in a town or village of less than 2,500 inhabitants, or in telegraph offices, may be employed for not more than sixty hours a week. The act does not apply to women working in plants or factories handling perishable foods. Persons between the ages of sixteen and eighteen, included in the original act, are no longer included. (No. 71.)

New York.—Amendments to hour law for females over sixteen years of age in mercantile establishments and factories prevent employers from lengthening by overtime work the weekly short work day, by providing that females may be employed overtime (for not more than 78 hours a year), pro-

vided that in any week in the calendar year they are not employed for more than five days or five days and a shorter work day of no more than four and a half hours including such overtime employment. (C. 867, C. 868.)

Porto Rico.—Women over sixteen who are not pregnant may, in the packing, canning or refrigeration of fruits or vegetables, be employed during the night if they have not worked during the day, such labor to be for not more than 8 hours or 48 hours a week. (No. 28.) Employees are not permitted to work in commercial or industrial establishments after 10 P. M. on Saturdays. To the exceptions already listed factories for packing, canning and refrigeration of fruits and vegetables are added. (No. 54.)

Rhode Island.—For regulation of hours by town councils in certain employments, see Rest Periods, p. 463.

2. REST PERIODS

(1) PUBLIC WORK

Massachusetts.—One day of rest in eight may be granted to members of the police department of every town except Boston if the city council or selectmen accept this act. (C. 58.)

(2) PRIVATE EMPLOYMENT

Massachusetts.—The carrying on of the business of bootblack on Sunday is left to local option. (C. 143.)

New York.—Projectionists or operators of motion picture machines must be allowed one day of rest in seven. (C. 748.)

Rhode Island.—Town councils are authorized to grant licenses for the retail sale on Sunday of milk, bakery products, fruit, ice, ice cream, confectionery, drinks, tobacco, newspapers, periodicals, oils, automotive parts and servicing, and for the operation of golf courses and bath houses, and said councils shall limit and specify the hours for such sale. Fee for licenses, \$50. (C. 1566.)

Employment

1. PRIVATE EMPLOYMENT OFFICES

Kentucky.—Operators of fee-charging employment agencies must first secure a non-transferable permit for which a fee of \$25 is charged. The granting of permits is conditional upon good moral character. Monthly reports of business transactions must be mailed by the agency to the department of labor. Misrepresentation, fee-splitting and sending uninformed applicants to a place where a strike exists, are forbidden. Agencies must return money or property paid to them by applicants for employment if a position is not secured within thirty days. The department of labor will enforce the act. Penalty for violation: first offense, fine of \$1 to \$100; subsequent offense, \$25 to \$100 or one to thirty days' imprisonment, or both. (C. 169.)

Massachusetts.—Penalty for maintaining an unlicensed intelligence office is extended to offices placing or giving placement information to seamen. (C. 117.)

2. PUBLIC EMPLOYMENT OFFICES

New York.—For study of state's public employment offices, see Miscellaneous, p. 464.

Porto Rico.—For establishment of employment agency in New York City, see Miscellaneous, p. 464.

Rhode Island.—Amount of legislative appropriations for public employment offices is no longer specified, but legislature shall annually appropriate such sums as it deems necessary. For fiscal year ending June 30, 1931, \$3,500 is appropriated. (C. 1556.)

3. PUBLIC WORKS

Massachusetts.—Contracts for the reconstruction of state highways—as well as the construction, already provided for—may be made prior to the effective date of the general appropriation act, as provided. (C. 5.)

New Jersey.—For prohibition against discriminating against hiring persons over forty years of age in public employments, see p. 468.

New York.—In employing persons on public works, preference shall be given to citizens of New York State. (C. 689.)

4. MISCELLANEOUS

Massachusetts.—The department of labor is directed to investigate unemployment, especially among workers over forty-five years of age, and to make remedial recommendations with its 1930 annual report. Appropriation, \$5,000. (C. 60, Resolves.) Investigation by the industrial commission of textile industry and unemployment is continued. A final report is required by December 1, 1930. (C. 66, Resolves.)

New York.—The industrial commissioner is authorized to make a scientific study of the state's public employment offices. (C. 425.)

Porto Rico.—Law creating a bureau of commerce and industry provides for an employment service in its New York City branch. (No. 46.)

United States.—The Bureau of Labor Statistics is directed to collect and publish at least once a month full and complete statistics on employment, as indicated by the number of persons employed, the total wages paid and the hours of employment in government service and in industry. The secretary of labor is authorized to arrange with any governmental agency for the collection of such statistics in such manner as he may deem satisfactory. (Public 537, 71st Congress, 2nd session.)

Safety and Health

1. PROHIBITION

(1) EXCLUSION OF PERSONS

Mississippi.—In specified establishments, it is unlawful to employ any child under fourteen years, or any child over fourteen and under sixteen years unless such child has complied with or is complying with the compulsory school attendance law. (C. 46.)

Porto Rico.—Revised code of commerce now specifies that minors emancipated by judicial concession may engage in business. (No. 42.)

2. REGULATION

(1) FACTORIES, WORKSHOPS AND MERCANTILE ESTABLISHMENTS

New Jersey.—Law regulating home work is enacted. Licenses must be secured before carrying on such work. Granting of licenses is conditional upon proof that work will be done under clean and healthful conditions and that premises will be light at all times while work is being done. Number of persons to be employed in one place is regulated. Licenses may be revoked for non-compliance with these conditions. Contagious diseases must be reported and infectious goods destroyed. The commissioner of labor may require that work rooms be separated from living quarters. Those contracting to do home work must keep registers of places where such work is being done, said register to be open for inspection. Home work on infants' or dolls' clothing in tenement houses is prohibited. Penalty for first violation, \$25; for second violation, \$50. For home work in a disorderly house, fine is \$500 or imprisonment for not more than two years or both. (C. 26.)

New York.—For amended definition of "factory building," see p. 470.

Porto Rico.—Fruit packing factories are excluded from law requiring a dispensary, physician and minor surgeon in factories and plants where power-driven machinery is used. (No. 53.)

(2) TRANSPORTATION

Mississippi.—Full crew law is extended to apply to trains propelled by motive power other than steam, but certain logging trains, however operated, are now exempted. (C. 219.)

(3) MISCELLANEOUS INDUSTRIES

Mississippi.—Law is enacted regulating the practice of barbering. Registration and license to persons meeting certain requirements are granted after examination by the newly created board of barber examiners which enforces this act and the sanitary requirements of the board of health. (C. 131.)

New Jersey.—A safety code for workers in the construction industry is enacted. Provisions include requirements that scaffolding be erected by skilled workmen, unsafe conditions be remedied, unsafe equipment be reported, unnecessary obstructions be removed and that wires and steam pipes be encased. (C. 185.)

New York.—The demolition of buildings is brought under the labor law. (C. 603.) Safety devices must be provided for window cleaners on public buildings. (C. 605.)

Social Insurance

1. INDUSTRIAL ACCIDENT INSURANCE

(1) EMPLOYERS' LIABILITY

Mississippi.—Regulation governing venue of action in suits against motor transportation lines is changed. (C. 121.)

(2) WORKMEN'S COMPENSATION

a. Acts Supplementary to Existing Laws

Louisiana.—In filing complaints in disputed cases, plaintiff is granted the additional option of presenting same to the court having jurisdiction in the parish in which the accident occurred. (No. 81.)

Mississippi.—For payments to policemen or firemen disabled on duty see p. 468.

Massachusetts.—Provisions in respect to deposits required of domestic insurance companies to secure outstanding claims incurred under its contracts are revised. (C. 129.) Definition of workmen in the service of the commonwealth is amended to specifically exclude inmates of institutions performing labor. (C. 159.) Provision in respect to lump sum awards to minors is clarified. (C. 181.) Application in respect to persons operating a motor or other vehicle is broadened. (C. 205.) In review cases when an employee is upheld by the board, his costs shall be paid by the insurer. (C. 208.) Reviewing board is required to hold certain hearings. (C. 224.) Provision in respect to death benefits is clarified. (C. 293.) Court may grant petition for review in certain cases when claim for review is not made within time limit. (C. 320.) Provision in respect to compensation for loss of phalanges is revised. (C. 336.) For revision of salaries of members of industrial accident board see p. 469; for payments to dependents of policemen and firemen killed on duty see p. 468; for payments to families of certain officers in penal institutions killed on duty see p. 468.

New York.—Occupational disease list is extended to include three additional diseases and to broaden the radium and X-ray provision. (C. 60.) Surplus moneys in the special fund may now be invested in certain securities. (C. 183.) Deposit of securities is now a mandatory condition of self-insurance. (C. 184.) Compensation may be awarded for neck disfigurement. Two methods are established for determining wage earning capacity in partial disability cases. Employer may be reimbursed out of unpaid award for payments made to an employee in like manner as wages. Every executive officer of a corporation is now included unless he elects not to be brought under the law. (C. 316.) Certain license fees are to be paid into the special fund for second injuries. (C. 521.) Minimum weekly compensation for the loss of both eyes is raised from \$8 to \$15. (C. 609.) Fines collected are to be paid to the industrial commissioner instead of the state treasurer. (C. 698.) The correction law is amended to grant to an employee in a state prison or reformatory or in the department of correction totally disabled in the performance of duty, three-fourths of his annual salary and maintenance. (C. 192.) Civil Practice Act amended to permit the institution of compensation proceedings within one year after the termination or reversal of an action for damages. (C. 327.)

Porto Rico.—Specific penalty is provided for violation of commission's rules or regulations. Computation of amount contributed by the government for support of the commission is revised. (No. 35.) Judgment in default shall be rendered if any party fails to appear at hearing of claim against a non-insured employer. Payroll reports shall include wages paid workers by a

contractor when employed by the employer. Additional provision is made for compensation payments to workers of, and collections from, uninsured employers. (No. 49.) Additional provision is made for liquidating claims against the defunct workmen's relief commission. (J. R. No. 60.) For workmen's compensation bureau in reorganized department of agriculture and labor, see p. 470.

Rhode Island.—Salary act is amended to raise death benefits to dependents of firemen to \$1,000. (C. 1563.)

Virginia.—Commission may in extraordinary cases require additional medical care for a period not to exceed 180 days. Per cent of wages is increased from 50 per cent. to 55 per cent. Weekly maximum is raised from \$12 to \$14. Limit on total amount of compensation for total disability is raised from \$4,500 to \$5,600. Total amount of compensation payable in death cases may not exceed \$4,200. Burial expenses are raised from \$100 to \$150. (C. 54.) If a third party is held liable for damages the employer shall be entitled to receive out of the amount of the judgment a sum equivalent to the compensation benefits he has paid, the balance of the judgment to be paid to the judgment creditor. (C. 158.) Tax on insurance carriers to meet administrative expenses is reduced from $3\frac{1}{2}$ per cent to $2\frac{1}{2}$ per cent of the premiums received. (C. 159.) By separate enactment cities and counties are authorized to appropriate for the relief of police officers injured in the performances of their duties, monthly amounts not to exceed the salary paid at the time of injury. (C. 284.)

b. Vocational Rehabilitation

Mississippi.—For appropriations see p. 469.

United States.—The federal vocational rehabilitation act is continued until June 30, 1933. Minimum annual allotment of funds to any state is raised to \$10,000. Slight changes are made in the annual plans that the state boards are required to submit to the federal board for approval. Authorized appropriation of federal board for investigation and administration is raised. (Public 317, 71st Congress, 2nd session.)

2. OLD AGE PENSIONS

Kentucky.—In cities of the second class tax for policemen's and firemen's pension fund is raised. (C. 96.)

Massachusetts.—Adequate assistance shall be granted to deserving citizens seventy years of age or over who have resided in the state for at least 20 years. When practicable it shall be granted in the applicant's home. Bureaus of old age assistance shall be established within each board of public welfare to administer the act, under the supervision of the state department of public welfare. Towns rendering assistance shall be reimbursed by the state for one-third of the assistance given, or if the beneficiary has no settlement within the state, for the total amount thereof. (Settlement is acquired if person has resided in city or town for five consecutive years without public aid.) The commissioner of corporations and taxation is directed to consider ways of raising the required revenue and report to the legislature by December 3. (C. 402.) Annu-

ties shall be paid to dependents of policemen or firemen injured while on duty and dying from said injury within one year, instead of six months. Limit on total amount of all annuities is raised to annual compensation of deceased at time of death. (C. 182, C. 241.) Deficiencies in annuity fund of teachers' retirement fund to be made good by the state. (C. 238.) Law relating to the refunding of contributions of members of the state retirement system in case of their decease, is amended. (C. 335.) The retirement of certain officers of certain penal institutions, and the payment of benefits to the families of such officers who die from injuries received while on duty, is provided. (C. 413.) A special commission is established to study the state retirement system and report to the legislature by December 1, 1930. Appropriation, \$7,500. (C. 49, Resolves.)

Mississippi.—Disability and relief fund for firemen in cities of not less than three, instead of four, thousand population is extended to include policemen. Manner of inaugurating and of maintaining the fund is slightly revised. Board of relief is augmented. Applicant must show ten instead of five years continuous service to qualify for retirement or relief. (C. 55.)

New Jersey.—Persons forty years of age or over applying for employment by the state, or by any county or municipality thereof, shall not be discriminated against because of age. Such persons if hired are ineligible to join any pension fund maintained by the state or any county or municipality thereof. County or municipal police or fire departments or guards in penal institutions are excepted from the act. (C. 104.) A commission is created to investigate pension laws and old age dependency and report its findings and recommendations to the 1931 legislature. Appropriation, \$25,000. (J. R. 5.)

New York.—A state-wide system of old age relief is established, to be administered by city and county public welfare districts, or by cities electing to administer relief, under the supervision of the state department of social welfare. United States citizens seventy years of age and over who have been residents of the state for ten years immediately preceding application for relief and who fulfill certain other qualifications, are eligible to relief, the amount of which shall be determined by varying costs of living and may include medical care and nursing. Half of the amount expended for relief and traveling expenses of district welfare officials shall be borne by the state, together with half of other district expenses that may be allowed. Provision is made for periodic reconsideration of relief. Reports of public welfare officials to the state department are required. (C. 387.) When beneficiaries who have received retirement allowances for other than physical disability are restored to active service, the allowance shall cease and they shall again become members of the public employees' retirement system. Upon subsequent retirement they shall be credited for service rendered subsequent to last restoration to membership. (C. 137.) Employees of the port of New York authority may not be continued in service after they have reached the age of seventy. (C. 138.) The sum of \$60,000 is appropriated for the year ending June 30, 1931, for the increased expenses of the department of social welfare due to the division of old age security. (C. 388.)

Porto Rico.—The pension board is directed to establish, out of the pension fund, a loan fund for teachers. (No. 16.) Slight change is made in teachers'

retirement law. (No. 55.) Employees of the insular government who have rendered service for thirty or more years are entitled to a pension of 75 per cent of the average salaries received during the seven years preceding retirement, said pension not to exceed \$2,000 a year. (No. 73.)

Virginia.—Corporations are authorized to grant pensions to their former employees who have retired after ten years of service or who have become incapacitated. (C. 185.) A commission is created to study the question of pensions for public school teachers and pensions and disability allowances for state employees and to report to the next session of the legislature. (C. 190.)

United States.—Employees who have rendered at least thirty years' service may retire two years under the ages otherwise prescribed. The method of computing annuities is changed and maximum annuities are raised to \$1,600 a year. Leaves of absence granted employees while receiving benefits under the United States Employees' Compensation Act may not be deducted in computing length of service. For retirement for total disability, length of service required is reduced to five years. Changes are made in section providing for return of amounts deducted from salaries. (Public 279, 71st Congress, 2nd session.)

3. HEALTH INSURANCE AND GENERAL SOCIAL INSURANCE

(1) MISCELLANEOUS

Mississippi.—State insurance commissioner is authorized to promulgate regulations for writing of group insurance covering state officials and employees. (C. 53.)

New Jersey.—Leaves of absence with pay for not over a year may be granted by counties or municipalities to any employee disabled in the performance of duty. (C. 165.)

South Carolina.—State highway department is authorized to furnish all necessary first aid to its employees injured while engaged in the performance of their official duties. (No. 780.)

Administration

Massachusetts.—Hearings must be held upon new civil service rules before submitting same to the governor and council for approval. (C. 227.) Industrial accident board members, instead of receiving salaries of \$5,500, will receive such salaries (not over \$6,000) as the governor and council determine. The salary of the chairman of the board, instead of being \$6,000, will be such as the governor's council determine, and not over \$6,500. (C. 373.) A boiler inspector of the division of inspection may be appointed chairman of the board of boiler rules. (C. 408.) A division on the necessities of life is created in the department of labor to study prices of different commodities and any business affecting them. (C. 410.)

Mississippi.—Appropriations of \$37,500 for vocational rehabilitation and \$25,000 for hospitalization of cripples are made. (C. 138, 192.) State factory inspector is authorized to employ a stenographer and clerk. (C. 245.)

New York.—The sum of \$250,000 is appropriated for an increase in salaries for persons in the competitive civil service class during the year beginning July 1, 1930. (C. 227.) The department of social welfare is authorized to study problems of social welfare and disseminate information relating thereto. (C. 723.) Salaries of deputy commissioner of labor and chief of the employment bureau are raised. Salary of one factory inspector is lowered. Provision is made for special investigator in bureau of industrial relations. (C. 832.) In cities of more than one million population, buildings which are used exclusively by one employer and which, except for the fact that not more than one-tenth of the employees therein are engaged in factory work, would be classed as a mercantile establishment, shall not be deemed factory buildings. (C. 857, C. 858.)

Porto Rico.—The department of agriculture and labor is reorganized. Instead of one assistant commissioner, two, one for agriculture and one for labor, and a secretary for each, are provided for. The division of labor will now consist of (1) the office of the assistant commissioner of labor, who shall perform the duties already determined and in addition take charge of labor statistics, enforcement of women's and children's labor laws, and investigation of labor problems; (2) bureau of mediation and conciliation; (3) workmen's compensation bureau, to consist of the industrial commission created in 1928; (4) employment and industrial development bureau, which is authorized to extend activities outside of Porto Rico through paid agents; (5) wage protection and claim bureau. The assistant commissioner of labor is made a member ex-officio of all commissions and boards to better labor conditions. On the board of industrial development, labor must now be represented. The members of said board shall form a board of counsellors of the commissioner of agriculture and labor, and the assistant commissioner of labor shall be a member thereof. (No. 59.)

Rhode Island.—Salaries of boiler inspector and deputy boiler inspector are raised. (C. 1550.) Three assistant factory inspectors are graded into second, third and fourth deputy factory inspectors, and appointment of fifth inspector is directed. The chief factory inspector is authorized to place deputies in charge of certain parts of the work. Salary of chief factory inspector is raised to \$3,200 and salaries of second, third, fourth and fifth deputy factory inspectors instead of being \$2,000, are graded from \$2,500 to \$2,300. (C. 1553.) Penalty is specified for failure of city or town treasurers to furnish commissioner of labor with a statement of all revenues or expenses. (C. 1606.)

II. Topical Index by States

The labor laws enacted by the nine states and two insular possessions which held regular sessions and those that held special sessions, together with labor laws enacted by the Seventy-first Congress, second session, are herewith indexed by states in alphabetical order with chapter and page references to the session law volumes. The figures in heavier type outside the parentheses, refer to pages in this REVIEW. (Complete session law volume is not available for the Philippines.)

IDAHO

(Special Session.)

No labor laws enacted.

ILLINOIS

(Special Session.)

No labor laws enacted.

KANSAS

(Special Session.)

No labor laws enacted.

KENTUCKY

Employment: private employment agency law enacted (C. 169, p. 640), p. **463**.

Social Insurance: policemen's and firemen's pension law amended (C. 96, p. 352), p. **467**.

LOUISIANA

Hours: hours law for women amended (No. 71, p. 155), p. **462**.

Social Insurance: workmen's compensation law amended (No. 81, p. 169), p. **466**.

LOUISIANA

(Special Session.)

No labor laws enacted.

MAINE

(Special Session.)

No labor laws enacted.

MARYLAND

(Special Session.)

No labor laws enacted.

MASSACHUSETTS

Miscellaneous: investigation of stock purchasing by certain employees directed (C. 30, Resolves, p. 589), p. **461**.

Hours: provision made for granting one day of rest in eight to certain police officers (C. 58, p. 44), p. **463**; bootblacking on Sunday left to local option (C. 143, p. 169), p. **463**.

Employment: law regulating intelligence offices amended (C. 117, p. 139), p. 463; law authorizing construction of state highways amended (C. 5, p. 4), p. 464; study of unemployment, especially among workers over forty-five, directed (C. 60, Resolves, p. 603), p. 464; continuance of investigation of textile industry directed (C. 66, Resolves, p. 606), p. 464.

Social Insurance: workmen's compensation law amended (C. 129, p. 147, C. 159, p. 177, C. 181, p. 193, C. 205, p. 230, C. 208, p. 231, C. 224, p. 247, C. 293, p. 342, C. 320, p. 372, C. 336, p. 387), p. 466; state old age assistance law enacted (C. 402, p. 489), p. 467; study of state retirement system directed (C. 49, Resolves, p. 598), p. 468; retirement laws for certain public employees amended (C. 182, p. 193, C. 238, p. 259, C. 241, p. 263, C. 335, p. 385, C. 413, p. 508), p. 468.

Administration: civil service law amended (C. 227, p. 252), p. 469; law regulating salaries of industrial accident board members amended (C. 373, p. 411), p. 469; law relating to boiler inspectors amended (C. 408, p. 502), p. 469; division on necessities of life created in Department of Labor (C. 410, p. 503), p. 469.

(Special Session.)

No labor laws enacted.

MISSISSIPPI

Safety and Health: child labor law amended (C. 46, p. 61), p. 464; practice of barbering regulated (C. 131, p. 329), p. 465; full crew law extended (C. 219, p. 448), p. 465.

Social Insurance: suits against motor transportation lines (C. 121, p. 301), p. 465; group insurance for state employees authorized (C. 53, p. 92), p. 469; firemen's relief fund extended (C. 55, p. 93), p. 468.

Administration: appropriations for vocational rehabilitation (C. 138, p. 344; C. 192, p. 395), p. 469; clerk for factory inspector authorized (C. 245, p. 477), p. 469.

NEBRASKA

(Special Session.)

No labor laws enacted.

NEW HAMPSHIRE

(Special Session.)

No labor laws enacted.

NEW JERSEY

Individual Bargaining: mechanics' lien law amended (C. 164, p. 592, C. 212, p. 972), p. 461.

Safety and Health: home work law enacted (C. 26, p. 49), p. 465; safety code established for construction industry (C. 185, p. 646), p. 465.

Social Insurance: investigation of pension laws and old age dependency directed (J. R. 5, p. 1108), p. 468; those hired for public employment who are over forty ineligible to join pension fund (C. 104, p. 353), p. 468; leave of absence with pay authorized for certain employees disabled (C. 165, p. 593), p. 469.

(Special Session.)

No labor laws enacted.

NEW YORK

Individual Bargaining: mechanics' lien law amended (C. 859, p. 1592), pp. 461, 462.

Collective Bargaining: law regulating granting of injunctions amended (C. 378, p. 801), p. 462.

Hours: hours of work on certain railroad grade crossings regulated (C. 804, p. 1448), p. 462; women's hour law amended (C. 867, p. 1623, C. 868, p. 1625), pp. 462, 463; one-day-of-rest-in-seven law extended (C. 748, p. 1345), p. 463.

Employment: state citizens must be given preference on public works (C. 689, p. 1260), p. 464, study of public employment offices directed (C. 425, p. 899), p. 464.

Safety and Health: demolition of buildings brought under labor law (C. 603, p. 1106), p. 465; safety devices directed for certain buildings (C. 605, p. 1109), p. 465.

Social Insurance: workmen's compensation law amended (C. 60, p. 86, C. 183, p. 532, C. 184, p. 534, C. 316, p. 705, C. 521, p. 1000, C. 609, p. 1117, C. 698, p. 1273), p. 466; correction law amended in relation to disability benefits (C. 192, p. 542), p. 466; civil practice act amended affecting workmen's compensation procedure (C. 327, p. 720), p. 466; old age security law enacted (C. 387, p. 812, C. 388, p. 818), p. 468; public employees' retirement law amended (C. 138, p. 470), p. 468.

Administration: certain salaries in civil service raised (C. 227, p. 587), p. 470; study of social welfare problems authorized (C. 723, p. 1322), p. 470; changes made in certain salaries (C. 832, p. 1519), p. 470; definition of "factory building" amended (C. 857, p. 1591, C. 858, p. 1591), p. 470.

PHILIPPINES

Session laws not available.

PORTO RICO

Miscellaneous: employees' right to vote protected (No. 47, p. 366), p. 461.

Individual Bargaining: dismissal wage provided (No. 43, p. 356), p. 461.

Hours: hour law for women amended (No. 28, p. 266), p. 463; law prohibiting labor at certain times amended (No. 54, p. 408), p. 463.

Employment: employment service in New York City provided (No. 46, p. 360), p. 464.

Safety and Health: minors allowed to work under certain conditions (No. 42, p. 320), p. 464; law requiring dispensaries and medical attendance in certain factories amended (No. 53, p. 406), p. 465.

Social Insurance: workmen's compensation law amended (No. 35, p. 288, No. 49, p. 394), pp. 466, 467; provision for liquidating claims against defunct workmen's relief commission (J. R. No. 60, p. 744), p. 467; teachers' retirement law amended (No. 16, p. 168, No. 55, p. 410), pp. 468, 469; insular employees' retirement law amended (No. 73, p. 450), p. 469.

Administration: law creating Department of Agriculture and Labor amended (No. 59, p. 420), p. 470.

RHODE ISLAND

Hours: sale of certain commodities on Sunday authorized (C. 1566, p. 343), p. 463.

Employment: method of appropriation for public offices changed (C. 1556, p. 325), p. 464.

Social Insurance: death benefits to dependents of firemen increased (C. 1563, p. 339), p. 467.

Administration: boiler inspectors' salaries raised (C. 1550, p. 313), p. 470; factories inspection law amended (C. 1553, p. 319), p. 470; law requiring certain statements amended (C. 1606, p. 429), p. 470.

SOUTH CAROLINA

Social Insurance: provision is made for first aid to state highway employees (No. 780, p. 1311), p. 469.

TEXAS

(Special Session.)

No labor laws enacted.

UTAH

(Special Session.)

No labor laws enacted.

VIRGINIA

Individual Bargaining: mechanics' lien law amended (C. 59, p. 69, C. 443, p. 945), p. 462.

Social Insurance: workmen's compensation law amended (C. 54, p. 57, C. 158, p. 405, C. 159, p. 407, C. 284, p. 708), p. 467; corporations authorized to grant pensions (C. 185, p. 487), p. 469; study of pensions systems for certain public employees authorized (C. 190, p. 517), p. 469.

WEST VIRGINIA

(Special Session.)

No labor laws enacted.

UNITED STATES

Employment: amendment to law creating department of labor provides for collection of statistics on employment (Public 537, 71st Congress, 2nd session), p. 464.

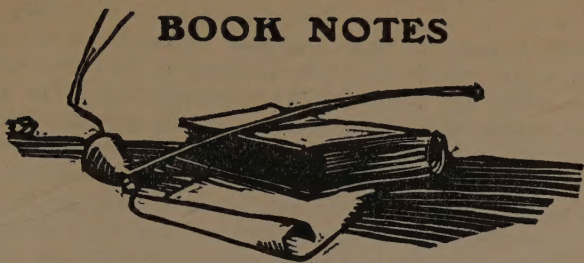
Social Insurance: vocational rehabilitation act continued (Public 317, 71st Congress, 2nd session), p. 467; federal employees' retirement law amended (Public 279, 71st Congress, 2nd session), p. 469.

Regular Legislative Sessions

1931

CONGRESS (71st Congress, 3rd session) and forty-four states, two territories and two insular possessions—all but Kentucky, Louisiana, Mississippi, and Virginia—hold regular legislative sessions during 1931.

BOOK NOTES



Tents of the Mighty. By DONALD RICHBERG. *New York, Willett, Clark and Colby, 1930. 267 pp.*—As director of the legislative reference bureau of the Progressive Party in 1913-14, and as counsel for railway unions for many years and co-author of the Railway Labor Act, Donald Richberg has had experiences with men and movements which eminently fit him to write an interesting book with much personal anecdote about influential citizens both good and bad. "Tents of the Mighty" is shot through with a friendly philosophy denoting disillusionment without uncontrolled cynicism. Says Richberg: "I have written platforms for political parties, keynote speeches for statesmen, laws for Congress and state legislatures to pass, statements for public officials to issue, opinions for courts to deliver, books and articles to promote good causes—and always the question arose: What is progress? . . . Where are we going?" Of his own profession, the law, he writes: "The legal sophistries which are available to justify any sort of conduct, so that a client can be supported in anything he does, would sicken any intelligent person who had not been rendered immune through a long course of mental poisoning."



Social Work Yearbook, 1929. Edited by FRED S. HALL and MABEL B. ELLIS. *New York, Russell Sage Foundation, 1930. 600 pp.*—This encyclopaedia of social work containing brief articles on more than two hundred subjects was prepared by as many contributors. The amount of space given to industrial accidents, occupational diseases, labor legislation for women, minimum wage, child labor, unemployment, employment agencies, old age pensions, and state labor agencies, emphasizes the important place of labor legislation in modern social work. Part two of the volume describes and classifies 455 national agencies dealing with social work and related activities.



Municipal Expenditures. By MABEL L. WALKER. *Baltimore, Johns Hopkins Press, 1930. 198 pp.*—Dr. Walker attacks the problem of municipal budget distribution and undertakes to apply the marginal utility ideal by pragmatic methods. The outstanding feature of the book is the attempt to grade 250 cities according to services rendered.

Old Age Security: Report of the New York State Commission. *Albany, State of New York, Legislative Document No. 67, (1930). 692 pp.*—This complete report of the New York State commission on old age security is published a few months after the enactment of the New York old age security law which was based upon its recommendations. The bulk of the report is a research study of the "economic, social and administrative questions involved in old age security" and was prepared under the direction of Luther Gulick. It includes a comprehensive survey of the extent and nature of, and public and private provision for, old age dependency in New York, as well as a summary of old age pension laws and their administration in the United States and other countries. (The conclusions and recommendations of this report were reprinted in the March, 1930, issue of this REVIEW.)

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Some Southern Cotton Mill Workers and Their Villages. By JENNINGS W. RHYNE. *Chapel Hill, N. C., University of North Carolina Press, 1930. 214 pp.*—This is an excellent study of what the author describes as one of the greatest problems confronting the North Carolina cotton manufacturing industry: the problem of its people. Following a description of various types of mill communities, Professor Rhyne traces the source of the labor supply and discusses the composition of the cotton mill family, its educational status and community activities, housing conditions and income.

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Selected Articles on Compulsory Automobile Insurance. *Edited by EDISON L. BOWERS. New York, The H. W. Wilson Co., 1929. 259 pp.*—This handbook is an informing contribution to the discussion of one of the great social problems of the day. A well developed brief for and against the enactment of compulsory automobile insurance legislation is followed by a comprehensive bibliography and a series of selected articles developing important contentions in the brief. Mr. Bowers points out that the strongest opposition to compulsory insurance comes from the insurance companies which raise the old issue of the "vested interests" versus the public. This is of course the same argument put forth by the casualty insurance companies against state fund insurance for workmen's compensation.

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I Go South. By HARRY SHUMWAY. *Boston, Houghton Mifflin Company, 1930. 90 pp.*—This is an account of what the author saw when he accepted the suggestion to "go South and write a truthful book on conditions as you see them." The suggestion came originally from a Boston executive of a group of cotton mills in the South. This picture of five mills in Alabama portrays contented employees living in modest, comfortable company houses and working in modern, well equipped mills, their children attending up-to-date schools maintained for the most part by the company. "I was genuinely regretful," says the author, "at leaving the pleasant, beautiful Chattahoochee Valley and its mills so full of kindly folk."

The Age December Report of the New York State Commission. *Survey, Story of New York Legislative Assembly, December 2, 1910.* 200 pp.—This monthly report of the New York State commission on old age support is published a few months after the treatment of the New York old age survey for which was based upon its recommendations. The bulk of the report is a statistical study of the "present, social and administrative question involved in old age support," and was submitted under the direction of Luther Gulick. It contains a comprehensive survey of the causes and nature of old people and presents possible for old age dependency in New York as well as a tabulation of old age pension laws and their administration in the United States and other countries. (The conclusions and recommendations of the report were presented to the March, 1911, term of the Assembly.)

State Senators Confront Mill Workers and Their Villages. By James W. Hays. *Chapel Hill, N. C., University of North Carolina Press, 1910.* 216 pp.—This is an excellent study of what the author describes as one of the greatest problems confronting the North Carolina cotton manufacturing industry: the problem of its people. Following a description of various social and economic features of North Carolina from the status of the labor supply and showing the composition of the cotton mill industry, its educational status and economic relations, broadly conditions and trends.

Efficient Actives as Unemployment Insurance. *Edited by Francis E. Johnson. New York, The N. Y. Tribune Co., 1910.* 200 pp.—This pamphlet is an interesting contribution to the discussion of one of the great social problems of the day. It well recognized that the real solution of unemployment insurance requires legislation is followed by a comprehensive education and a plan to attract workers producing immediate employment in the field. The author points out that the important importance of education has been shown with the increasing unemployment which was the old way of the "wage system" across the policy. This is an earnest appeal to the people by the growing business community against state and national tax collection's interpretation.

I Go South. By Marie Snowman. Boston, Houghton Mifflin Company, 1910. 25 pp.—This is an account of what the author saw when she accepted the suggestion to "go South and write a truthful book on conditions in the old South." The suggestion came originally from a Boston associate of a group of women who in the South. This group of five girls in Alabama poverty-stricken conditions living in crowded, uncomfortable tenement houses and without a school, and without help. Their children scramble up-to-date schools maintained by the state and by the voluntary. "I was genuinely surprised," says the author, "at finding the poorest, beautiful Chickasaw Valley and its people so full of soul. 15c."